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28 September 1979

# West Europe Report

No. 1476



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## WEST EUROPE REPORT

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## VU, PSC, FDF LOOK FOR NEW CHAIRMEN

## Candidates Presented

Brussels LE SOIR in French 30 Aug 79 p 2

[Article by Jacques van Solinge: "Autumn Political Scene: VU, PSC, and FDF Each Looking for a Chairman"]

[Text] The political parties will be in the limelight frequently this autumn. As soon as the summer vacation season ends, most of them will become a scene of intense activity. From September to November, there will be one party congress after another.

Given the important role played by the parties, each one of these successive conventions may well determine the evolution of the political situation. This is an additional reason for the belief that the future of the Martens and Spitael government could be decided in the next few weeks.

For three of the parties, this autumn's activity will be marked by the election of a chairman. Hugo Schiltz has announced his resignation and will have to be replaced as VU [Volksunie, Flemish People's Union] chairman. In the PSC [French-speaking wing of Social Christian Party], the term of office of Charles Hanin and Antoinette Spaak will expire.

As for the two principal parties in the coalition government, the PS [Socialist Party] and CVP [Flemish wing of Social Christian Party], they will doubtlessly be the scene of new clashes between rival groups.

The Volksunie's general council is scheduled to choose a successor to chairman Schiltz on 8 September. The divisions within the Flemish nationalist party are well-known. After the defeat in the 17 December 1978 elections, the party's hard-liners returned in force to positions within the party's governing bodies. They reportedly intend to support the candidacy of an ex-moderate, Jaak Gabriels, the young burgomaster of Bree and member of parliament from Maaseik.

As for the VU members who reject the return to a policy of total opposition and strongly advocate Flemish autonomy, they are said to be backing Vic Anciaux, member of parliament from Brussels and a former secretary of state. The latter's views generally approximate those of Schiltz. To complete the picture, it should be noted that some observers have mentioned the possibility of a compromise candidate, namely Luc Vansteenkiste. He is handicapped, however, by the fact that after having been a very active member of parliament from Courtrai, he lost his seat in the latest elections.

#### Some 50 Percent of the Membership

The PSC's statutes specify that the party chairman is elected by the entire membership. In practice, however, during previous elections, participation in this voting by mail has generally been about 50 percent.

A few months before his term expired, Charles-Ferdinand Nothomb resigned as PSC chairman upon becoming president of the House of Representatives. His duties within the party were assumed by Charles Hanin, senator from Marchen-Famenne and a former minister. The time allowed for filing candidacies as Nothomb's successor has not yet expired and there is currently feverish jockeying for position within the party.

Contrary to what he said a few weeks ago, Hanin is now seemingly not disposed to take a chance. As a result, there are only two declared candidates at the present time. One is Freddy Francois, member of parliament from Huy-Waremme. He belongs to the so-called "homeless" group. The other is Gerard Deprez who is from the ranks of the "Christian Democracy" but also Vanden Boeynants' political chef de cabinet [chief adviser]. The PSC's right wing, grouped within the Political Center of Christian Cadres and Self-Employed Persons (CEPIC), could obviously be expected to stoutly oppose Deprez and back one of its own members. Nevertheless, several CEPIC strategists are clearly tempted to support a Christian Democrat in the hope of obtaining maximum compensation from the Christian Democracy (DC). Under these circumstances, Deprez, whose relations with Vanden Boeynants are excellent, would appear to be the ideal candidate. Of course, the fact remains that Deprez is not a member of parliament and is not as well-known to the general public as Francois.

#### Candidate To Succeed Herself?

Antoinette Spaak's term as FDF chairman ends in October. A congress will be convened either in the second half of October or early November to elect members of the party's governing bodies. Mrs Spaak is reeligible but she has not yet indicated whether she will be a candidate to succeed herself.

There are a very large number of members of the Brussels federalist party who hope she will run for reelection. In fact, the present chairman's popularity helps the party as a whole. Furthermore, some members may fear that should Mrs Spaak not choose to run, the party might be excessively shaken by a possible war of succession. At any rate, it is evident that the FDF is

waiting to see how the new parliamentary session develops. Will the party still be in the government come October? First of all, the decision made in April to participate in the government was coupled with specific conditions. Secondly, the FDF's presence in the government is still the subject of very sharp reservations--to say the least--within the Flemish community, and more so within the PSC.

A final noteworthy related development is the fact that the FDF and RW [Walloon Rally] have agreed to intensify their collaborative effort. A few months ago, they reestablished their joint organizational structures that had been dismantled when the Walloon Rally entered the first Tindemans government. Pierre Bertraud, the senator from Liege and a former minister, has now been appointed general chairman of the two parties.

It is premature, to say the least, to speak of an imminent merger of the FDF and RW, even though that idea is unquestionably gaining ground. For the moment, it is rather a matter of augmenting working groups and study groups with a view, inter alia, to making the FDF-RW parliamentary groups more effective and more cohesive.

#### Schiltz Against Separation

Brussels LE SOIR in French 6 Sep 79 p 2

[Article: "Schiltz Calls Separatism Only Alternative to Federalism"]

[Text] The Volksunie has not recovered from the setbacks it suffered in the recent elections. It is torn between the desire to gain autonomy for the Flemish people and the temptation to take the easy way out by becoming a party of total "omnidirectional" opposition. In an effort to force his party to define clear-cut choices, Hugo Schiltz resigned as VU chairman. His successor will be known next Saturday after a meeting of the party's general council.

On that occasion, Schiltz will submit a "Manifest aan mijn party" (Manifesto to my Party), the purpose of which is to incite an as broad and open debate as possible within the Flemish nationalist party.

In his opinion, separatism cannot be considered a solution to our present political problems. The VU cannot orient its strategy toward that goal. But it must clearly explain what it wants to be in the future and determine the role it intends to play on the Belgian and Flemish political scene.

Schiltz argued that "the VU cannot remain in an ambiguous position. It must know whether it wants to revert to being a pressure group whose past actions were not very effective, or whether it wants to regain the full strength of a prospective government party."

The VU's outgoing chairman feels that his party needs shock treatment. In his view, the party cannot shun its responsibilities under the pretext that it no longer knows what it wants.

"What must the party want?", asked the member of parliament from Antwerp. First and foremost, autonomy for Flanders. This would make possible the advent of a more just, more tolerant, and more dynamic society. "We must turn to the future and no longer let our vision be clouded by the past."

The Flemish movement's main objective must be the gaining of autonomy. All linguistic friction is of minor importance compared with that objective. Consequently the VU must act as a responsible party willing to make political agreements and compromises. It must, therefore, have the courage to tell its voters that it will not be possible to obtain autonomy as long as French-speaking and Dutch-speaking citizens have divergent views on the institutional issues. Schiltz noted, in passing, that he was sorry that the CVP and RSP [Flemish wing, Belgian Socialist Party] had abandoned the "Flemish front" strategy at a time when the PS, PSC, and FDF were forming a "French-speaking front." A general confrontation of the goals pursued by each "front" would thus have been possible.

The member of parliament from Antwerp then attacked such slogans as "autonomy without a quid pro quo" (the very negation of politics), "enough of concessions" (politics in a technique of give-and-take), "the Volksunie is not an ordinary party," "return to our sources," and "no more radicalism."

For Schiltz, the only alternative to federalism is separatism, and those who have chosen the latter solution must clearly say so and explain how they intend to settle the Brussels problem and the status of the Flemings in Brussels.

The VU's outgoing chairman asked the Flemish community to take a realistic attitude and rid themselves, in all conscience and without naivete, of their oppressed-minority complex. The machinery of parliamentary democracy will make a redistribution of forces possible, thereby opening the way to federalism.

Schiltz concluded his remarks by saying: "If I were no longer able to put into practice the nationalist doctrine to which I am wed, I would withdraw from political life."

#### VDB Candidate for PSC Chairman

Brussels LE SOIR in French 6 Sep 79 p 2

[Article by Jacques van Solinge: "VDB Is Candidate for Leadership of PSC"]

[Text] As anticipated, Paul Vander Boeynants (VDB), the vice prime minister and defense minister, announced Wednesday afternoon that "in response to the expressed wishes of many party officials and members," he had decided to run



for the position of Social Christian Party chairman. A few hours later, his chef de cabinet, Gerard Deprez, announced he was maintaining his candidacy.

In all likelihood, only two persons--the vice prime minister and his chef de cabinet--will, therefore, seek to succeed Nothomb and Hanin. As a matter of fact, other potential candidates, such as Hanin, Michel, and Francois, had previously implied they would not run if Vanden Boeynants filed his candidacy.

From a practical standpoint, it is now up to district organizations to express their views on the candidacies submitted. Each member will then receive a ballot along with a copy of each candidate's platform. The results of the balloting will be announced before Parliament reconvenes.

From a strictly political standpoint, it is obviously tempting to depict the duel Vanden Boeynants and Deprez are preparing to fight as a new episode in the rivalry between the Christian Democratic left and the CEPIC right. The actual situation is more complex, however.

Accustomed to steady gains from one election to another during the past 8 years, the PSC was deeply affected by its setback in the 10 June European elections. The malaise existed prior to those elections, but the defeat therein served as a detonator. Under these circumstances, many members feared that a multiplicity of candidates would create confusion and trigger a new and sharp clash between the various factions.

Hence in the eyes of many party officials, Vanden Boeynants appeared to be the only candidate capable of rallying the PSC. The candidacy of the leader of the French-speaking Social Christian cabinet ministers is also supported by all those who fear the PSC might face the new interparty negotiations in a position of weakness, negotiations that deterioration of the political situation would bring about.

In his heart, Vanden Boeynants is a "unitarist." In his mind, however, he is a regionalist. He has come round to accepting the necessity of reforming the state. He has excellent relations with the country's principal political leaders, and also with his former adversaries in the federalist parties.

The supporters of candidate Deprez have a different approach. The PSC's former political secretary explained: "My candidacy is not directed against anyone. It is intended to be the positive expression of a new dynamism for the PSC, dynamism based on the active participation of members, on clear-cut political choices and on rigorous and effective actions." Deprez wants to breathe new vitality in a party whose progression has been checked. The 300,000 votes obtained by Van Miert in the European elections have clearly impressed political leaders.

In the PSC, the race between Vanden Boeynants and Deprez would thus polarize different sensitivities and feelings much more than fundamental options.

The facts remain, nevertheless, that if the minister were to triumph over his chef de cabinet--as everything indicates he will--Martens would have to re-shuffle his government. Especially since Vanden Boeynants' departure when added to the departure of Antoine Humblet, secretary of state for Walloon affairs, to become president of the Walloon Regional Investment Company, would completely disrupt the French-speaking Social Christian representation in the government.

Unless, of course, there is no longer a Martens government by mid-October! Yet it was Vanden Boeynants himself who assured his party's district chairmen that the present government would still be in office in the summer of 1980.

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GOVERNMENT, VEV AT LOGGERHEADS OVER FISCAL POLICY

Martens Rejects Criticism

Brussels LE SOIR in French 6 Sep 79 pp 1-2

[Article: "Martens Angry With VEV Over Issue of Government's Fiscal Policy"]

[Text] The Flemish employers' organization VEV, Vlaams Economisch Verbond [Flemish Economic Union] has published and forwarded to the prime minister an analysis of the economic situation in which it severely criticizes the policy of the Martens government. Martens' reaction was immediate, brief and acrimonious.

In the VEV's opinion, nothing is going very well, "and it must not be inferred from a few favorable economic indicators for early 1979 that all is well once again in business and industrial enterprises."

And for the VEV, in any case, "the Martens government must of necessity change its policy of increased taxes into a policy of reduced taxes and public expenditures." At any rate, our trade and financial balances are plummeting and "investors are showing less and less confidence in our country."

And "the 1980 budget, as approved by the government on 30 July, is a defective tool that will make enterprises pay dearly instead of stimulating their activity."

The VEV considers "it necessary for the government to transform its tax increase policy into a tax and public expenditures reduction policy if it wants to avoid any deterioration in the country's economic situation with consequent increased unemployment. Otherwise the population and business enterprises will no longer be able to count on the EEC and IMF. In the face of our deteriorating economy and increasing unemployment, those two organizations will compel our authorities to take stabilization measures that will be more painful than those it is still possible to take right now.

"The 1-franc increase in the price of gasoline and the rise in railroad fares will increase costs by 6 billion francs through the [cost-of-living] index machinery. The tax on exceptional profits is expected to bring in 3 billion francs. Retaining the 5 percent VAT [Value-Added Tax] on capital goods and the solidarity tax represents 11 billion francs. Keeping petroleum products in the index further burdens firms with an 11-billion franc expenditure, etc."

"The effort to improve the social security system by eliminating ceilings and increasing contributions means new expenses and new taxes for enterprises. The budget also places a greater tax and special tax pressure on managerial personnel who become disheartened as a result."

The VEV contends that with such an economic policy it is no surprise that foreign and Belgian observers see our economic situation painted in dark colors.

"To overcome this economic slump, the government has to rethink its policy and offer enterprises a viable prospect. Governmental authorities must lessen their involvement in the economy by limiting public expenditures. Lightening the financial, tax, and special tax burdens will stimulate demand and enhance supply."

At 16 Rue de La Loi [prime minister's office], it is said that "the prime minister was furious when he learned of this statement." He is quoted as saying "the information is false, incomplete, and gives an inaccurate picture of the economic situation. Furthermore, it attributes to the government proposals it has not made."

"For instance, it is totally false to claim that the government intends to discriminate anew against managerial personnel by intensifying tax and special tax pressures exerted on them."

It would appear, at any rate, that this issue has now been joined.

#### Attack Hurts Franc

Brussels LE SOIR in French 7 Sep 79 p 2

[Article by Guy Depas: "Geens Calls VEV's Unfounded Attack Harmful to Franc"]

[Text] In yesterday's editions, we reported on the content and conclusions of an analysis of the economic and social situation released Tuesday by the Vlaams Economisch Verbond (VEV). The analysis is highly critical of the government.

As we reported earlier, Prime Minister Wilfried Martens reacted very sharply to this position taken by the powerful Flemish employers' organization.

Specifically, the head of government labeled as "false and incomplete" the VEV's attacks against the proposed 1980 budget that will be submitted to Parliament when both houses reconvene.

We met with Finance Minister Geens who naturally echoed the prime minister's sentiments. But Geens primarily denounced the conclusion of the circumstantial line of argument developed by the representatives of Flemish employers.

That conclusion implied that at the rate things were going, Belgium would, barring a radical change, soon be forced to seek assistance from the International Monetary Fund and European authorities. "In other words," Geens remarked, "follow in the footsteps of such countries as Italy and Great Britain, if not actually join the underdeveloped nations' clan."

Without denying the serious state of our public finances, a situation which, in fact, warrants the recovery effort undertaken by means of the 1980 national budget, the finance minister said he wanted to set the record straight by countering the VEV's analysis and forecast with facts.

He noted that on the basis of its per capita income, Belgium remains the world's sixth-ranking economic power. In addition, during their customary review of Belgium's economic situation, IMF experts admitted that action taken by Belgian monetary authorities--under the supervision of the finance minister, Geens pointed out--was positive in most respects. Gaston Geens stressed the point that "for the first time in a long while the IMF even refrained from making any criticism of our system of automatic indexing of wages."

#### Credit Account With IMF

In Geens' opinion, the VEV's comments are liable to groundlessly impair Belgian credibility abroad and needlessly revive speculation that would ultimately be detrimental to the franc. Supporting his statements with figures, the finance minister then proceeded to refute the Flemish employers' allegations.

"Why," he asked, "should Belgium have to seek IMF assistance when it has a credit account with that agency amounting to 43 billion francs?"

Geens also emphasized the size of the National Bank's monetary reserves: the equivalent of 87 billion Belgian francs in foreign currency; 66 billion francs in ECU [European Currency Units]; and 58 billion francs in gold calculated on the basis of the so-called "standard" price of 54.75 Belgian francs per kilogram which is six times less than the current prevailing free market prices.

#### Franc's Appreciation

Is the franc in jeopardy?

The National Bank maintains an up-to-date index of the franc's appreciation in relation to the principal foreign currencies, i.e. the currencies of our chief foreign suppliers. The finance minister explained that this index shows that the franc remains sound: 106.8 in 1977, 111.6 in 1978, and 114.2 on 3 September 1979 (100 for the base period 1975-1976). The success of the anti-inflation measures taken by Belgian monetary and governmental authorities--an annual inflation rate largely below the rate in the Federal Republic of Germany and Switzerland--is viewed by Geens as one of the principal instruments of this strength of the franc. Furthermore, this strength itself has a moderating influence on increases in domestic prices and acts as a special incentive to our sales abroad.

Lastly there is the evolution of the public debt and particularly the Belgian state's direct debt owed to foreigners.

"The latter," Geens explained, "currently amounts to 51.7 billion Belgian francs payable in dollars, marks, and Swiss francs. This is only 3 percent of the overall public debt and 1.6 percent of the gross national product, whereas its percentage of that GNP was 8.9 in 1960, 6 in 1965 and 4.2 in 1970."

The minister then revealed that "the most recent reports are reassuring. The overall debt has actually evolved better than expected: its increase in August was limited to approximately 9.7 billion francs."

#### What Is VEV's Purpose?

Having thus effectively set the record straight, what more is there to be said?

Admittedly, as a pressure group--that seems to be increasingly asserting itself as an instrument of opposition to the present government--the VEV unquestionably has the right to make its views known. And as the prime minister and finance minister concede, all of its views are not totally groundless. But this time we may rightfully wonder about the political attitude of the Flemish employers.

Their latest move is, this year, the second one of its type which occurs as a curtain raiser for concerted labor discussions and negotiations. Does this mean that the VEV's ultimate purpose is to be directly associated in the discussions as the Flemish representative, thereby going over the head of the national employers' organizations?

There are some who cannot help but feel that such is the case. There are others, however, who see these two initiatives as an indication of a desire to create difficulties for a government which persists in believing that economic policy, both monetary and specific to the conjuncture, must be a matter of strictly national competence.



## ALAND ISLANDERS DESIRE GREATER REGIONAL AUTONOMY

## Koivisto Hears Complaints

Helsinki HELSINGIN SANOMAT in Finnish 24 Aug 79 p 9

[Article by Kalle Heiskanen]

[Excerpt] Mariehamn—Prime Minister Mauno Koivisto (SD [Social Democrat]) began his official visit to Aland on Thursday primarily by listening. "If I go and promise something, they are all ready to set a political price on it," the prime minister described his situation.

During his official visit on Thursday and Friday, Prime Minister Koivisto will learn a lot about the hopes and problems of the people of Aland.

Their biggest hopes are in connection with the new autonomy law and the rapidly rising costs of freight from the Finnish mainland to Aland.

The proposal for a new autonomy law is at present being discussed by the Law Committee of the Provincial Assembly. One of the biggest reforms being drawn up on the basis of the so-called 1972 Autonomy Committee deliberations is a reorganization of the autonomous government's economic administration. Carried to their logical conclusion, the Aland islanders' demands would mean that the central government's right to tax them would end in the provincial government. And on the mainland they are hardly ready to agree to this.

According to the new autonomy law, the Aland Provincial Assembly has the right to decide on commercial and industrial and amusement taxes as well as in some cases on supplementary taxes and, naturally, the collection of community taxes.

In Aland it is felt that the province pays more in taxes than its expenses amount to. Thus part of the islanders' tax marks goes to the mainland.

The islanders would like to themselves decide on the whole business of tax collection. According to some calculations, the province's annual income averages over 3 million marks more than its expenses.

In his familiar way, Prime Minister Koivisto was particularly cautious in his comments on the islanders' tax reform proposals.

Specifically, Koivisto was asked about how unthinkable it would be to grant Aland a given lump sum which province-appointed agencies could distribute as they best saw fit.

"It is to be understood that such a possibility for resolving the matter would have to be carefully looked into," Koivisto replied.

#### Guarantees Remain Eclipsed by Shadow of Economy

Aside from greater authority in tax matters, the committee that has been studying reform of the 1972 Aland autonomous government is demanding new international guarantees of autonomy for Aland, among other things.

The question of guarantees, which Prime Minister Kalevi Sorsa (SP) placed in the foreground during his 1974 visit, will probably remain eclipsed by the shadow of economic issues during Koivisto's visit.

Also, the Autonomy Committee's small, but visible reform proposals for Aland's own postage stamps, radio and television programs and even for its merchantmen to sail under nothing but the flag of Aland will probably be shelved this time in almost unnoticed fashion.

A proposal for the regulation of its own radio and television systems has, however, been drafted in Aland independently of the overall reform of regulation of the autonomy law. The matter is to be presented to the provincial government next week.

As far as is known, the Finnish Broadcasting Corporation has also discussed the Aland demands and maintains that at the present time it has no reform plans that involve the unique province, where mainly Swedish television programs are viewed.

At the present time in Aland, we do not know whether the application for reform of the autonomous government is to continue to be discussed at the current Provincial Assembly or following the Provincial Assembly elections to be held in October.

#### Committee May Deliberate

Come what may, the issue can be submitted to government consideration in two ways: either by means of a Provincial Assembly initiative for the bill or by a proposal for the appointment of a new committee.

At the present time, the feeling in administration circles probably prevails that deliberations should be continued in a committee composed of provincial and government representatives. This way of handling the matter also has a lot of supporters in Aland.

The committee deliberations would then in time become a nut for the Finnish Government to crack. After that, the next phase would take place in Parliament.

On an excursion through the Aland Islands on Friday, Prime Minister Koivisto and his party will be advised on the ins and outs of self-government.

At that time he will also listen to complaints that Helsinki officials often send reams of paperwork solely in Finnish to Swedish-language Mariehamn.

#### Language As Key Issue

Helsinki UUSI SUOMI in Finnish 22 Aug 79 p 18

[Report by Pekka Reinikainen: "Hasse Svensson, Chief Editor of ALAND: Need for Autonomy Is Growing Due to Constant Finnification of Finland"]

[Text] "Bilingualism in Finland is declining year by year. This is a fact that creates problems for us Aland Islanders. The less bilingual Finland becomes, the more autonomous Aland has to become. This is a general view which ALAND also supports."

Behind these words stands Hasse Svensson, the chief editor of our autonomous Swedish-language province of Aland's only daily.

"Aland cannot be preserved as a monolingual province if we have to handle all our business with the government in Finnish. Trips to Helsinki constantly affect the situation. An ever bigger volume of information reaches us in Finnish.

"This constitutes the great divide in Aland politics: Are we to adhere to our boundary more closely than before, to reinforce our autonomy and protect our monolingual situation or are we to adapt?" Hasse Svensson asks.

#### "We Are 50 Years Ahead of the Basques"

According to Svensson, many Finnish newspapers believe that discussion over the expansion of Aland autonomy, which has been engaged in with renewed vigor these past few years, is some kind of new phenomenon. Svensson feels that the truth of the matter is that only Finnification of the mainland is new. In Aland, nothing has changed.

"A lot of mainland Finns do not know what the true situation in Aland is. They think that the autonomy issue that has been raised is a manifestation of some sort of movement comparable to Spain's Basque organizations.

"There is no question of such being the case. We are 50 years ahead of the Basques along the road to autonomy," Svensson emphasized.

When, at the time Finland obtained its independence, the islanders' dream of rejoining Sweden did not materialize, the Åland movement vehemently voiced its desire for autonomy.

"This desire to govern itself has developed naturally over the years. We now have a very clear idea of how we can exercise our autonomy within the framework of the republic.

"When an islander travels in mainland Finland, he finds it very hard to make himself understood. This adds to the feeling of being in a peculiar position.

"On the mainland, Swedish-speaking Finns are largely bilingual. The islanders are not. This sharply separates the islanders from the Swedish-speaking Finns as well."

#### Last Redoubt

Swedish-speaking Finns from Uusimaa and Finland Proper have severely criticized the way the islanders and the Swedish-language Hurri [disparaging term for Swedish-speaking Finns, especially from Pohjanmaa] movement in Pohjanmaa relate to them. The islanders and Pohjanmaa Hurris readily describe themselves as being the last Swedish-language redoubt worthy of consideration in the Finnish world.

"Between islanders and Pohjanmaa Hurris there are no common grounds for discussion. The fact that opportunities for discussion in these districts are often reminiscent of one another stems from the simple fact that both areas are geographically and intellectually closer to Sweden," Svensson says.

"A Swedish-speaking Finn who lives in Finland's eastern Swedish-language area lives in a completely different cultural atmosphere from that of his brother in the west.

"A fellow who had moved here from the mainland told me how a few days ago he had played host to relatives from the Porvoo area. In the evening as they were watching the news on television together, these people from Porvoo, that is, Swedish-speaking Finns, asked him: 'Do you really understand everything they are saying over there?'

"We islanders and people from Pohjanmaa are used to Swedish customs. But in some places around Porvoo, I don't see that they can even understand Swedish as spoken in Sweden anymore.

"Nevertheless, I don't believe that there is any danger of our overly assimilating to Swedish culture. The impressions we get, for example, from television have no practical significance."

## "We Suffer the Consequences"

In an afternoon paper, Social Democrat Representative Lasse Lehtinen recently wrote that the islander characteristics that are disdainful of the Finnish way of life could lead to a kick in the pants from the Finns. Lehtinen intimated that it may turn out that the islanders' hopes of gaining greater autonomy will not be realized.

"If Finnish politicians assume that the islanders are acting in a given, expected way in order to achieve their hopes, it merely means that they are not looking at the Aland question in the proper perspective," chief editor Hasse Svensson says.

"We are part of the republic under specified conditions. Under the circumstances, the parties have no room to maneuver. Either Finland fulfills its lawful political obligations to Aland or not. That is the limit of choice. It can, of course, happen that Finland does not wish to fulfill its obligations in an affirmative spirit. It is possible, but that is Finland's business. We suffer the consequences.

"We must particularly bear in mind that the islanders are Finnish citizens just as others are. They must be taken into consideration to the same extent other Finns are.

"Aland's existing autonomy law was enacted by Parliament and it cannot be changed without the consent of our Provincial Assembly. If we do not want to modernize the present autonomy law, we will operate under the terms of the old law. It merely remains to be seen how capable Finland is of fulfilling its obligations," Svensson says.

## "Worst Is Over"

It has often been said of Finland that it is geographically in an utterly wretched situation, bounded on the one side by the world's second largest superpower and on the other by one of the world's wealthiest market economy nations. Aland's situation is in some ways even more wretched.

When Stockholm's pastry shops turn out their creamy white rolls for citizens enjoying a high standard of living to sniff, the smell can be detected as far away as Mariehamn.

Thousands of islanders have left Aland in search of these rolls. Young people have been especially eager to move away from the province.

"It is believed that the worst rush to move is already over. Of course, it is easy to be shocked by the figures, but we believe the situation is improving.

"Not very long ago, at the beginning of the 1970's, we succeeded in turning the wave of emigration from a negative to a positive direction.



"The political hope of our autonomy organization is to slow down the stream of emigrants. Aside from other things, this means that we have to slow down emigration from the mainland.

"Ten percent of our population has moved to Aland during the past 10-15 years. This gives rise to certain difficulties, especially if there is no common language. Of course, it is true that most of the people who migrate speak Swedish, including those whose mother tongue is Finnish. Most of those who move here to stay feel that our language policy is a sensible one.

"We must, however, assume that someone who moves to Aland from somewhere else will take a job away from some islander. People rarely move here from Sweden. The stream of immigrants from Finland is a constantly repeated process. The sources of this stream depend purely on wage earners. "When ALAND was recently in the market for a new editor, we sent out feelers in both Helsinki and Stockholm. We got a whole bunch of good applicants from Sweden. All they wanted was a salary that would be 40 percent more than what I get as chief editor. So much for that," Svensson grinned.

"Many of our young people continue with their studies in Sweden. Only those who opt for Sweden unfortunately put themselves in a worse position than those who choose the mainland for their studies. With rare exceptions, the Swedish exams are not valid in Finland. This is unfair because education in Sweden is substantially equivalent to non-Swedish-language education in Finland."

#### Radical Line

ALAND is the region's only daily. Because of this, the newspaper's position is an especially difficult one. In principle, it is up to it to keep everybody happy.

"We have tried to do our job by keeping everybody slightly dissatisfied. Our columns are open to all kinds of opinions and viewpoints. Discussion in the columns of ALAND is perhaps livelier than in many other newspapers.

"I don't think that the paper has much political influence on our leaders. The only thing we vehemently advocate is a comparatively radical autonomy-policy line. As far as the autonomy question is concerned, we are perhaps a step ahead of our politicians. On the other hand, we are also radically pro-Swedish. ALAND's viewpoint is that the province should remain monolingual," chief editor Svensson explained.

"In our opinion, a daily has a right to be idealistic. The politicians can handle their own affairs as they want to," he says.

"The Aland movement is today following a normal course of development. Naturally, there are also extremist factions. People that are pro-Aland to the point of unreasonableness. No wonder. It's the same in all idealist movements," Svensson says.



## Political Life Unlike Mainland's

Helsinki UUSI SUOMI in Finnish 22 Aug 79 p 18

[Article: "Aland Is Getting Political, But Hands Off, RKP!"]

[Text] Aland has a population of about 20,000. For a long time, the autonomous province has been governed without regular parties. To be sure, there have always been different groups, but the formation of a political party is still in the future.

ALAND chief editor Hasse Svensson believes that, when 8 years — two election terms — shall have elapsed since the Provincial Diet elections held in October, politicalization will be a reality.

Today, the formation of political parties is in its infancy. The Aland Center Party, which "has nothing to do with the Estonian Center Party," and the local liberal organization are farthest along. The conservatives and Social Democrats too are forming parties. The Communists have entered the ring with a 20-man section.

"The islanders are starting with the assumption that the prerequisite for our own Aland politics is to have our own parties. If we did not have organizations that were separate from the mainland parties, there would no longer be any question of having our own politics in Aland," Svensson said.

"If, for example, the Swedish People's Party (RKP) were to begin to extend itself to Aland, we would make an effort to stop it. In our opinion, the RKP has no business in Aland.

"We also feel that we do not need other Finnish parties here either. We can, of course, cooperate in government political affairs, but we will look after our province ourselves," he emphasized.

## Want Greater Control of Finances

Helsinki HELSINGIN SANOMAT in Finnish 19 Aug 79 p 21

[Article by Jorma Korhonen]

[Excerpt] This weekend Prime Minister Mauno Koivisto will be leaving for a rare "state visit" to Aland.

The visit comes at an important moment, since the island community has drawn up a sweeping revision of its autonomy law which should go into effect in the near future.

Furthermore, in October provincial elections will be held in Aland and the prime minister's visit is also regarded as signifying the beginning of the election campaign at this time.

Koivisto is known to be well-informed on Aland issues from before too. Since, moreover, he is aware of and recognizes the particularly great weight the province exerts in terms of the government as a whole, his visit is awaited with great expectations, especially in the offices of the autonomous government.

Provincial advisor Polke Woivalin, Aland's prime minister, has this to say about it: "We are very glad that he accepted our invitation to visit Aland so quickly. The fact that the Finnish prime minister will be visiting us in Aland is of very great symbolic importance."

The provincial advisor is not by any means the first Aland Islander in whose words Koivisto is described a bit like a representative of some foreign power, even if unintentionally and not meaning it in a derogatory sense. Aland Islanders are Aland Islanders, not Finns.

In Mauno Koivisto Aland is awaiting the director of the Bank of Finland, now relieved of his duties, aside from the prime minister of Finland. Director of the Bank of Aland Klas Eklund adds to this the proviso that, as a bank director, Koivisto must make no compromises in the spring when he issues his statements on revaluation.

At the top of Eklund's request list prepared for the prime minister is the matter of freight subsidies. The high cost of transport places a burden on the prices of all commodities shipped to the province.

The speaker of the Provincial Diet or Parliament, Nils Dahlgren, also hopes for government support in the name of equality, so that the price of electricity in the province can be reduced to the reasonable level enjoyed elsewhere in the country.

In support of these as well as several other requests made to the government, the islanders do not forget to point out that this province brings in nearly a fourth of the government's annual income from tourism and that a third of the nation's merchantmen are based here. This is especially important for several reasons.

#### Tense Start for Autonomy

Visits to Aland by Finnish prime ministers have not always proceeded as favorably as is expected to be the case with Koivisto's. In 1920 the prime minister of the young republic, Rafael Erich, sailed into Mariehamn aboard a warship. The tension was so high that it would not have taken much to set things off. Then too, the issue was the province's autonomy law, which Parliament had hurriedly passed so that Aland could be retained as a part of Finland.

The province, which eagerly desired to be annexed by Sweden, refused to accept the offer of autonomy under Finnish dominion. Negotiations on

the issue between the prime minister and the islanders were broken off at the start when the islanders marched out of the negotiations room.

Right after this happened, the government arrested two Aland leaders, chief editor Julius Sundblom and Provincial Diet speaker Carl Bjorkman. They were sentenced to the penitentiary for conspiracy to commit treason.

The dispute over Aland between Sweden and Finland was a serious one. When Finland's ambassador to Stockholm, Verner Soderhjelm, left his credentials, King Gustav V greeted him with: "The people of Aland have turned to us and requested that they be allowed to join Sweden and I have decided to listen to them."

In clarification of the matter, old King Gustav further announced that Finland had to choose between Sweden's friendship and Aland. In the end, Finland got both, nor was Verner Soderhjelm's role in handling matters by any means a small one.

Afterwards, Prof Hugo E. Pipping analyzed the situation as such that Finland probably would have been forced to give up Aland if it had not been ready to pass a language law guaranteeing full rights to the Swedish-speaking population. On the basis of this, Swedish-speaking Finns on the mainland took a stand in defense of an overall decision including Aland.

#### Guardians of Monolingualism

The islanders are today again more than ever discussing language questions. Many an islander feels that Hasse Svensson, the present chief editor of ALAND, is just as ardent an advocate of language politics as his predecessor, Julius Sundblom, was. At every opportunity, he manages to remind his readers of the need to preserve the province's monolingualism.

Last winter the Aland Provincial Government rejected Finnish-speaking construction worker Esa Oinas' petition for native resident's rights, although he has lived in Aland for 7 years, because of his inability to speak Swedish. The case received a great deal of attention and was long a topic of discussion.

This week, when Esa Oinas and his family moved away from Aland back to the district where he was born in the Province of Lapland, ALAND published the item as a triumphant major news article.

In the same issue, in connection with official bilingual visits to the city of Mariehamn, it warned "that the monolingual majority population of Mariehamn might begin to feel uncomfortable."

As Speaker Dahlman describes it, the island community newspaper and "wailing wall" for residents guards its monolingualism to such an extent that it will not even print notices of Finnish-language church services held from time to time.

It is in some respects peculiar that every now and then friction over language questions arises between the mother country and Aland, despite the fact that right from the start the province was given guarantees of the preservation of Swedish language and culture. The islanders take it for granted that every Finn has to personally experience the situation before he can understand it to be irrevocably as it is.

Finland's opponent to an internationally binding Aland agreement is still Sweden. If Sweden discovers that Finland has broken its nationality protection agreement, it may intervene in the matter directly or through international channels. Of primary importance in the nationality protection agreement is the protection of language rights.

#### Desire for Control Over Budget

They have also remembered to write language affairs into the proposal for a new autonomy law. The main emphasis is really on economic affairs. The islanders want their share of government income in one lump sum, not allocated beforehand in Helsinki among the different social sectors.

Provincial Government budget director Ake Bamberg asserts that Aland's social and occupational structures are so different from those of the rest of Finland that only the province itself can allocate budget funds properly.

In Bamberg's opinion, the old autonomy law has in many ways badly fallen behind modern practice and demands. He emphasized the importance of the other provincial governments' reform of their officials' practices for the province's development.

"Reform is, also, of course, an especially important matter for the administration in both an economic and a political sense," Bamberg feels.

Speaker Dahlman admits that legal reform is achieved on the fringes of the domain of autonomy by seeing how far the government's decision-making machinery can be compromised with. "We simply look at the specific limits in all matters."

As for provincial advisor Woivalin, he feels it is important to explain the reform proposal to the decision-makers beforehand so that misunderstandings may be avoided insofar as is possible. In this way too, approval of the proposal would be ensured beforehand. "That is why Prime Minister Koivisto is coming here."

#### Stepping Up Action Toward Election Campaign

Although the prime minister is coming to the island state as a guest of the provincial government, the local Social Democrat hopefuls will be inviting him to share their sammas. With their eyes on the October provincial elections, they intend to arm themselves with weapons gleaned from the prime minister's visit for their own campaigns.



Political opponents of the Social Democrats vehemently and loudly condemn such tactical election maneuvering. Provincial advisor Woivalin presumes that Koivisto's visit will animate others too, aside from the Social Democrats, to go to the polls. In the last elections, less than 65 percent of the population voted, a fact that naturally greatly disturbs those who actively participate in politics.

In his own words, a man who has driven himself in political life until he is ready to drop, Social Democrat Lasse Wiklof feels that the approaching elections are important because at last they represent the starting point for a fresh division of parties. Aland's parties are not organizationally associated with their corresponding mainland parties. Despite the fact that they have the same names, they are not even ideologically unified; rather, all are regarded as being one step to the right of their corresponding mainland parties.

The general government agency, the Aland Assembly, whose regulations set specific limits for each party group, serves as a cover organization for all Aland parties. In Lasse Wiklof's opinion, the Aland Assembly is no longer of any particular significance.

#### Power in the Same Hands

According to outside observers, Aland's political and economic power is at the present time to a very great extent concentrated in one and the same hands. Lines from the powerful shipowners firms and financial institutions lead into those very same rooms where the province's other matters are also decided on.

Budget director Bamberg admits that there are personal links between the different decision-making agencies. "But in this little community economic power cannot be used to advantage in its political life, because the community reacts to it immediately in a self-protective manner."

Lasse Wiklof is of another opinion: "With the new autonomy law we also must pay more attention to advantages afforded ordinary people with little means than is now the case. These should also be equitably distributed among others than just the small clique of shipowners and bankers."

Bank director Klas Eklund notes that the result, or current prosperity, and obviously booming economy in Aland indicate how beneficial firm common understanding between political and economic decision-makers is. Eklund himself also serves as the chairman of the Mariehamn Municipal Council.

"Here, practical politics is economic policy and vice versa," Eklund says. He recalls that nearly the entire population of the province is involved in various businesses, including the rapidly growing car ferry traffic.

The province's own capital, representing the contributions of its 22,000 residents, is quite large. Nevertheless, Aland cannot maintain its shipping industry entirely with its own resources.

The discussion over the effect of the backwash of the big car ferries on island residents, particularly the damage this traffic has caused fishermen, has considerably subsided because of the dispute over money brought on by this same backwash. It may actually be that in the summers to come the ferries may have to slow down in the narrows of the archipelago and make compromises on the high efficiency of the schedules they strive to maintain. The backwash also batters docks belonging to important persons, not to mention the fact that big ferry traffic causes damage in the Stockholm Archipelago too.

#### Roar of the Backwash

A considerable amount of oil may still be included in the flood of very capitalistic Aland affairs awaiting the attention of Social Democratic Prime Minister Koivisto. The remains of the oil ferry wrecked last spring along the shores of the island state and picked up are still in Aland and no one in the government has as yet found a place to put them. In this matter too, the islanders see evidence of government indifference, which they claim they have to bear with very often.

Speaker Dahlman too, a quiet man and a member of the Finnish Olympics Committee, complained that the government's official attitude toward Aland is wishy-washy and slows down the handling of affairs.

And if the province's public school children get a chance to express their wishes to the prime minister, these will certainly include the hope of ridding themselves entirely of the stumbling block of Finnish-language courses.

#### Existing Rights Described

Helsinki UUSI SUOMI in Finnish 23 Aug 79 p 20

[Article by Pekka Reinikainen: "Aland Is a State Within a State"]

[Text] Aland's first autonomy law was passed on 7 May 1920. At the beginning of January 1952 the autonomy law now being observed went into effect. This law grants the province of Aland a whole bunch of independent decision-making powers.

The Landsting, the Provincial Assembly, elected once every 4 years, exercises the province's power to make laws. The Provincial Assembly, which corresponds to the Finnish Parliament, has as its executive organ the Provincial Government, which corresponds to the national government and which is headed by a provincial advisor appointed by the president of the republic.

Only a specific resident of Aland can with full equality share in the privileges of autonomy. A person becomes a resident if either of his parents is one. A wife can become a resident through marriage if the bridegroom is a resident. A husband does not have the same right through marriage.



A person who has permanently lived in the province for a period of 5 years may also petition for residency. Similarly, a person who has spent 5 years outside of the province loses his right to be a resident.

Residency gives a person the right to participate in the selection of the organs of the autonomous government. Only an individual who is a resident can own real estate in the province.

The Provincial Government can on request grant the right to own real estate to others too than those who are residents. Obtaining permission to do so is not an easy matter.

#### Right to Collect Taxes

The province of Aland has the right to use income tax collected from the province in the form of business and amusement taxes for its needs. The Provincial Assembly also has the right to collect supplementary taxes it may determine on the basis of income and occasionally levy special taxes.

The Provincial Assembly has the right to assume loans for the province's own needs. However, the consent of the president of the republic is required for bonded loans and foreign credit.

#### Military Service Only If Desired

A resident of Aland is not obligated to perform military service. If, however, an individual has first become a resident after reaching the age of 12, he must enter the Army. If a young man from Aland so desires, he has the right to join the Army. Every year there are some who do want to.

The Provincial Assembly exercises its legislative power by passing provincial laws and ordinances. These may be either independent legislation pertaining to Aland or include laws corresponding to those passed by Parliament or ordinances as passed or modified.

The president approves provincial laws.

The official language of the province is Swedish. All correspondence between provincial government agencies and Finnish Government officials is in Swedish, as prescribed by law.

The language provisions of the autonomy law are little by little being ignored. An ever-increasing number of documents from Helsinki, written in Finnish, are being received by autonomous government officials.

The province and its communities are not required to maintain anything but Swedish-language schools.

No one is chosen for a government position in Aland unless he can prove that he has perfect command of spoken and written Swedish.

The provincial government creates all provincial government positions and functions and appoints officials to them.

The province has the right to submit initiatives to the Finnish Government, which is required to turn them over to Parliament for consideration.

#### Law Is Protected

The autonomy law may not be changed or repealed, nor may it be deviated from without the consent of the Provincial Assembly.

Matters pertaining to the autonomy law are to be discussed in Parliament in the order prescribed in the Constitution.

The Aland Provincial Assembly is right now drawing up a proposal for basic reform of the autonomy law. In connection with this, the islanders hope to have their autonomy extended. One of the most important proposals involves their hope to detach Aland from the Finnish Government budget so that the province will be able to manage its own budget affairs with complete independence and itself decide on how to use tax income collected from all sectors.

Helsinki has not officially commented on the expectations of the islanders. Unofficially, when in time the proposal comes before the government and Parliament for discussion, it is expected to give rise to considerable opposition.

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## BARRE INTERVIEWED ON COUNCIL DECISIONS

Paris LE MONDE in French 31 Aug 79 p 16

[Interview with French Prime Minister Raymond Barre by Emmanuel de la Taille, telecast on Wednesday 29 August at 2000 hours on French Television Channel 1]

[Text] [Question] Will the measures adopted be sufficient?

[Answer] I think we really have to comprehend the significance of these measures and examine them in terms of the government's overall policy. Last April, I announced that in August or September we would adopt measures favoring construction and public works. Why? Because the rise in the price of oil, 58 percent, has had the effect of slowing down economic activity and because the government hopes to maintain a rate of activity high enough to enable it to cope with the introduction of active workers (250,000 a year) into the labor market.

Therefore, these measures were adopted this morning at the Council of Ministers session. But the rise in the price of oil has brought about price hikes in France: rises in the cost of electricity and heating in the months to come. We felt that it would be necessary, not to compensate for a loss in purchasing power but, in accordance with what has always been the government's policy, to grant special subsidies to people with modest incomes who would have to cope with this rise in costs. And in August the president of the republic asked me to examine those measures that might be adopted on the government's return from vacation, insofar as possible those measures that could be applied between now and the end of September. These constitute the second batch, pertaining to social welfare, of decisions made this morning. Of course, families, old people and workers paid on the basis of the SMIC [Interoccupational Minimum Growth Wage] will benefit from an increase in their means, an increase that will permit them to cope with current and future costs. This is in line with government policy, which has always been oriented toward granting aid to those who have modest incomes or are less favored. I therefore think that the two kinds of measures adopted this morning reflect the twofold concern of government policy: to maintain a sufficiently high rate of economic activity and, secondly, to aid people with modest incomes through special measures under special circumstances.

## He Who Is in Power Is Always Alone

[Question] Mr Prime Minister, you seem to be quite alone for the third anniversary of your assumption of office.

[Answer] He who is in power is always alone.

[Question] What would be the simple proof of the effectiveness of your program to provide for the French, who are beginning to ask themselves: "Can we still believe in Raymond Barre?"

[Answer] First of all, you say that the French are asking the questions you are posing. I am not sure that you represent French public opinion. We must not confuse French public opinion with the opinion of those who think they are expressing the opinion of the French. But this brings me to our topic of discussion. Obviously, the past 2 weeks have given rise to a period of intense verbal and written agitation. This is not a personal issue. In difficult times it is usual for people to criticize government policy. It is, however, also usual for the prime minister, who bears the responsibility for this policy, to be exposed to the brunt of such criticism. As you have just said, this criticism has been particularly intense and, in some cases, peculiar. But I am not taking this as a personal attack. When we look at the criticisms that have been leveled against the policy I have pursued for 3 years now more closely, I would say that we get a twofold impression. There are criticisms that are — pardon the expression — laughable and there are those which I, for my part, find saddening.

The laughable ones. People, some of them, say to me: "Your policy is too tough; you champion austerity." Others say to me: "You don't pursue a tough policy at all; your policy is soft."

[Question] People talk of militarism and pacifism.

[Answer] You have come up with two interesting expressions. Others say to me: "You're a retarded liberal," while still others say: "You're not a liberal at all; you're a statist." Some say to me: "You're a bad economist." Others say: "You're dead, politically." I have found it very amusing to watch this idea being developed, since in the past I was described as a fairly competent economist who knew nothing of politics and so on. This is all rather amusing. But all this is beside the point, since beneath the din we have been unable to see a sign anywhere of a clearcut definition of a policy that would be applicable in France under favorable circumstances.

## The Second Oil Shock

[Question] Mr Debre...?

[Answer] Mr Debre has presented a program deserving of attention. I have always very carefully listened to Mr Debre's analyses. On a number of

points, I think that these analyses and proposals are unrealistic.

[Question] Mr Prime Minister, what if we were to divide into two camps those who feel that you have been too tough and those who feel that you have not been tough enough?

[Answer] Let me answer the question you have asked. I said that among these criticisms there has been a relatively superficial and at times amusing side, but I also said that there was something a little sad about these criticisms. I am not talking about them from a personal standpoint at all. The policy pursued for 3 years now has been conducted by the government I have been prime minister of, but it has achieved results only thanks to the efforts of French men and women and it is these efforts of French men and women that have been disparaged. This is one point on which I would like to insist. A man alone accomplishes nothing, nor can he accomplish anything. Now compare the situation in France in August 1976 with that of August 1979.

Do you remember the political concerns in August 1976? Do you remember the state of mind prevailing at that time with regard to the great event that was about to take place, that is, the parliamentary elections? Do you remember the economic situation: the franc, the deficit trade balance, zooming prices? I am simply saying that, when we compare the economic situation of that time with today's, we should all recognize that, thanks to the effort achieved by French men and women, our foreign trade has recovered and has produced a surplus balance. Our reserves have considerably increased to cope with foreign debt payments, our industrial production has risen, the purchasing power of the French, while slowed down in its advance, has continued to increase and the financial situation of our enterprises has improved. We have established a national agreement on youth employment in an attempt to reduce unemployment. These measures are not to be sneezed at. Both politically and economically, the situation has changed. Then on top of it all, we were hit with the second oil shock.

There was the 1973 shock. There was the June 1979 shock. A 58-percent hike in the price of oil. I will go on repeating what this rise in oil price means. Thirty billion francs to be paid to those who supply us with the oil we need. It is perfectly normal that, when we are hit with such a shock, factors that had become positive should, for a while, become negative. It is perfectly normal that finding 30 billion francs to pay the foreign debt should, for a while, produce some sort of deficit in our foreign trade balance. This is the situation, as it is. If I were to sum it up, I would say that in 1976 the French economy was going to pot. In 1979 the French economy is in a position to cope with the difficulties. And at the present time, some people would like to give the impression that the situation is not to be underrated. You spoke of pessimism, of warnings of catastrophe...



## A Master Plan

[Question] What are your predictions on the basis of these impressions?

[Answer] For a few months, the situation will be difficult. I have not concealed the fact. This difficult situation will stem from the fact that we will have to pay the additional oil bill and will experience pressure on prices and that there will be some slowing down of economic activity, which we are trying to offset with the measures we are adopting. But France does have certain trump cards.

Those who criticize government policy, those who preach catastrophe don't realize the French people's ability to surmount the difficulties the country is facing. They have already offered proof of this ability.

[Question] But what is the master plan?

[Answer] We can have a verbal master plan or we can have a master plan we try to achieve through continuous, patient and methodical policy. The government's master plan, the national ambition the government intends to serve under the authority of the president, is to make France a modern nation, a nation capable of exerting its influence in Europe and in the world. This is our master plan and the first thing we have to do is to re-establish our economy, to develop it, to strengthen France's hand in the sectors of the future, to develop everything that is inventive, innovative. This is what the government is doing and it has already obtained a number of results. When I say "the government," I should say "the French people," who daily demonstrate their ability to assert themselves in a difficult world. This is why I think that we should not — as has been done — disparage the efforts of the French people in order to attack one man. But men come and go while France remains and what is important is that the French can say that they have the means for coping with the difficulties of today's and tomorrow's worlds.

I have always appealed to the common sense, the clarity and the efforts and courage of the French people. I will continue to do so and will tell you what it is like to be a prime minister at the Hotel Matignon after 3 years of experience. It's a very simple matter. When you have to govern, you can be neither a swashbuckler nor a fancy Dan. It's not always an easy situation but, after all, if you accept the responsibility, you have to take on the difficulties that go with the job.

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## IMPACT OF WORLD CRISIS ON NATION'S ECONOMY VIEWED

Paris DEFENSE NATIONALE in French Jul 79 pp 15-25

[Article by Edmond Malinvaud: "Competitiveness, Perseverance, Intelligence Contain the Answer to France's Economic Future"]

[Text] What are the causes of the world crisis? How has it affected our country and how have we reacted to it? What conclusions can we come to today regarding our economy and its future? These are the essential questions to which Mr Edmond Malinvaud, general director of the National Institute of Statistics and Economic Research, is responding. Here the writer again discusses the main points of a conference which he had given on the subject on 13 February 1979 at the National Defense Institute for Higher Studies.

On the subject of our country's economic development two types of questions may come to mind today: How can French economy, in the next few years, meet the challenge which she is now facing? What position is France to take in world economy at the end of this century and what should she do to arrive there? The second question presents both the economist and the politician with important problems, but these will not be dealt with here.

My objective will be neither uniquely nor mainly to answer the first question, which, moreover, would require more than one article to do; it will also be to show how economists approach the subject. This should become evident in the course of the two parts, the first of which is devoted to characterizing the world crisis, the second, to examining France's position in the crisis.

### 1. What Is the World Crisis?

The absence of crisis would indicate a permanently stable economy; now a development such as this, if you really give it any serious thought, would be rather surprising. Economy is not like an army, conducted with clear cut objectives and organized in such a way as to achieve these objectives. As a matter of fact, it is a very complicated structure in which many people participate and make decisions, with a rudimentary knowledge of the context in which they are doing it, and rarely do they feel any coordinate responsibility.

In order that growth be balanced and lasting, one must produce the goods in demand and not something else; one must make use of the country's entire workforce; and do it in a context in which needs evolve, the resources of the various demands evolve, the technology to be used evolves, competition with other countries evolves. It would therefore be rather surprising should anyone ordinarily succeed in producing what is in demand without any general planning, that it be done with effective technologies by gradually expanding the needed productive capacities and that on the whole this entire operation employ men and women who are looking for work despite the enormous differences which characterize them.

Should we try to go more deeply into the matter by referring to effective economic functioning, the requirements for a balanced and lasting growth no longer seem easy to fulfill. The prices of the various products will have to be such that they accurately guide both the producers' and consumers' choices. The distribution of incomes to consumers will have to be sufficiently just to correspond with the volume of available goods; the profit rates which productive operations bring in will have to be sufficiently incentivating to encourage the undertaking of these operations; financing will have to be available at the proper time and in the proper amount. The expectations and prognostications of the leading economic agents will also have to be comparatively accurate if there is to be any confidence in the future of economic development and a sufficiently clear vision of its effectiveness prevail; this vision must also be sufficiently consistent from one agent to another (it is generally known that French planning has for a long time been considered as a means of bolstering confidence and consistency in expectations).

The mere fact that these different conditions could be roughly fulfilled is an important topic of study for economists. There are two ways of going about it; the microeconomic theory which aims at identifying each agent and endeavors to see how the behavior of the different individuals and firms can be brought together in mutual consistency; the macroeconomic theory, which thinks in terms of large quantities (total wages earned, gross profits, total amount of capital, total employment, etc.). The two methods of approach supply complementary clarifications and converge toward one and the same reality which must be better understood and better controlled.

Between 1950 and 1970 a steady growth which seemed to be lasting was noted worldwide. From several viewpoints, this was a surprising and uncommon occurrence. In the first place, it was unexpected: early in the 1950's, the majority were expecting a recurrence of the depression which the world had experienced during the 1930's; those who ventured to predict any development up until 1970 were considered naive, and the more optimistic foretold an annual three percent expansion rate. It was later believed that they had finally succeeded in overcoming the above-mentioned difficulties; once they saw that, on the whole, things were fairly well under control, an increasing number of people believed that from then on they now had the means

of controlling depressions thanks to a steady, stable growth. After the immediate post-war excessive pessimism, any present optimism in turn also seems excessive to us. This growth, after all, was exceptional considering the numerous risks we had to incur with regard to the conditions which are required for a sound expansion; we went as far as we possibly could, and perhaps even beyond that, while trusting in our ability to control an economic development regarding which a certain precarious aspect should not have escaped our attention.

The world crisis, therefore, should not have seemed surprising. With regard to it, by taking our positions far removed from the particular circumstances of the phenomena, we can try to discover the why of the crisis; we can also see things from a better perspective in order to discover the system's major crucial problems.

During the years of regular growth, more precisely from 1965 to 1973, as a matter of fact, we took some tremendous risks. These risks are indeed numerous but they can be looked at from three different angles.

First of all, the United States did not do what it should have done. It was not only the country with the highest living standards, with the most important output, but it was also the country placed by its financial role in the very center of the world system: the dollar was the standard for everything, the currency of the whole world. That created obligations for the United States which it has never assumed. On the contrary, from 1965 to 1973, it sought to derive benefit from the system. The clearest evidence of this has been its economic administration during the war in Vietnam. It had to counterbalance its cost by somewhat limiting its domestic consumption and the domestic use of production. The Vietnam war was in fact financed due to the expansion of international credit, an expansion which redounded to the advantage of the banking house, at that time the United States.

The United States has also fallen short in its responsibility to assure an evolvement of the international financial system established by the Breton Woods agreement, a system which could not continue to function indefinitely without some basic changes. Indeed, to assure this evolvement was extremely difficult. The men who were interested in the problem had no answer of such a nature that today we could say "if we only had followed their advice we would not have come to this." But the attitude of the United States consisted in disregarding the problem and even stating that it did not exist. As a matter of fact, the United States is beginning to feel the repercussion of their indifference during those days; around 1985 it will understand all the harm done by the mistakes it committed in 1965, from the standpoint of its responsibilities toward the International Monetary System.

The second defaulting relative to the demands for growth are now spread throughout all western industrial countries. They have adopted a development in keeping with their own way of life and their own method of production which is based on the hypothesis of a free access to primary resources: minerals, sources of energy, etc. A certain lack of perspicacity has, in fact, created the problem of dependence of oil producers.

Lastly, the third default, the Western nations intended to pursue jointly the speedy accomplishment of various objectives which a posteriori have been found to be at variance with one another. From 1965 to 1973, they did not realize that they were paving the way for the crisis. Thus every country in the world had developed a generalized social solidarity which was obviously very desirable but without ensuring any reciprocal arrangement, in other words, without agreeing to some deceleration in the growth of direct profits. In some countries, the profit rates have fallen very low; in others, such as ours, inflation has increased very quickly. In one or another instance, the money circuits were disorganized, the ever-increasing debt of business firms, broadly speaking, that of economic agents, was becoming unbearable at long term and was jeopardizing solvency.

Signs of the crisis evident in 1974 are linked with one another. First of all, the ruthless decrease in the growth of net income available to developed countries made it necessary to make some options, options made even more difficult by the fact that in the preceding period they had sought to distribute more than was produced. There would have been a crisis even had there been no increase in the price of oil; there would have been a crisis even if the International Monetary System were not disorganized; there would have been a crisis even if there were no easy term policy which was pursued in several Western countries; but since the three causes united their effects, the crisis became extremely serious and the change of options particularly difficult.

In addition to this ruthless decrease in income available to developed countries, an imbalance in the demand for goods appeared around the world: with the price of oil what it is since 1974, poorly populated countries realize receipts for which they have no use; these countries very quickly become creditors; balance can exist only when there are corresponding debtors. But few countries can allow themselves to run deeply into debt without being profoundly concerned about this situation, for to be in debt means running risks of a different nature. Some countries' excesses, particularly countries in the Persian Gulf, and the denial of the deficit among the majority of other countries, is creating a basic inconsistency.

The United States, very fortunately, is now agreeing to a sizable deficit but which is not at long term; the problem, therefore, still exists. The imbalance in demand has resulted in the productive capacities not being used, particularly the productive capacities which involve men and women who are seeking work.



The third sign of the crisis: the disorganization of the money circuits has led those in charge of the banks and firms to adopt a cautious stand regarding their management. This stand is a reflection of the general desire to avoid running into debt, but it is obviously making it difficult to cope with the crisis.

In conclusion, the last sign: a loss of general confidence, a ruthless modification in expectations, forecasts and plans. Each fact is a proof of circumspection and, for that very reason, reinforces the other trends already mentioned above.

## 2. France in the Crisis

On focusing attention on the situation in our own country, I must make an initial observation: France is particularly vulnerable to the crisis. In the first place, it is common knowledge that our country does not have the sources of power commensurate with its consumption and that, because of this, we are in a much worse situation than the majority of other countries, except Japan. We must, therefore, bear in mind the French industrial lag as compared with the large, dominant economic systems. Its beginnings go back to the 19th Century, the period during which France had fallen back on its own resources and did not turn to its own advantage the extensive expansion which Germany and the United States experienced at that time. France has struggled against this industrial lag in preparing for the First World War, during the inter-war years, and during the last 25 years. She has scored some success, but has not yet caught up with those in the lead; she is still experiencing some difficulties in asserting herself in some areas where world demand is brisk (equipment supplies). We may, therefore, wonder about the strategy adopted in the course of the past 25 years and ask ourselves if we had tried harder at imitating others and given less time to trying to be original would it not have helped us to overcome more easily our industrial lag. Japan's example should give us something to think about. Of course, we should not seek to acquire the qualities of others but rather to develop our own qualities. Nevertheless, haven't our own aspirations at times been naive?

In regard to economic growth, our foreign policy of national independence can apparently be a handicap. All the French people are in agreement with this policy but it is a costly one. If you will allow me to give an example, I shall say that our country is in the same situation in the western world as the rebellious student. As long as he does his work well, they put up with him, but the day he has need of others, he will get very little help. In our economic administration we should therefore take a closer look at the requirements national independence demands. Its effects on the present environment are extremely important: the intent never to incur any debt over and above what is compatible with national independence. Some politicians feel very strongly that the debt limit allowed France is too low, very much lower than what is allowed in Italy and Great Britain, for example.



Lastly, there is no need for me to stress the fact that the political consensus in our country is lower than it is in other countries, or that population mobility has put us in an especially difficult situation. After years during which we were lacking manpower as a consequence of stagnancy in our active population, shortly before the crisis and for some 20 years now, we have embarked upon a phase in which our active population is rapidly growing. Confronted with these handicaps, how was our country to administer its economy in 1974?

It had to introduce a gap in the growth of new earnings. It had to do this for three reasons: first of all, to stop inflation which was increasing very rapidly, then to shift the use of our national output for consumption to exportation (to pay the higher costs of our energy imports, the burden had to fall on consumption, then on incomes, and later on wages), finally to sustain the profit rates.

I have said that in France the profit rate remained quite stable throughout 1965 to 1973 when in some foreign countries it had a tendency to drop very low; as a matter of fact, if the FRG [Federal Republic of Germany] reacted quicker than we did on the wage scale, it is because its profits were depreciating more than ours even before the crisis. However, we had to maintain an adequate profit rate in order to prevent a number of firms from going bankrupt. This necessitated a decline in net wages.

But it was also necessary to avoid stifling the economy: to decrease wages and consumption in order that productive capacity be ready for exportation is to run the risk of the export orders not being at the appointed place and production then finally stifled for lack of market openings with a consequent increase in unemployment. It was therefore advisable to slow down any increase in wages while at the same time taking care not to do this too quickly in view of our possibilities abroad. This was a delicate operation to carry out.

That this was a necessary step came clearly to the fore in 1974, but our country was very hesitant to attach any importance to it. Between 1974 and summer 1976, the administration tried not to deal with the problem face to face. The best example of this attempt was the 'serisette.' This tax was intended to bring the firms themselves round to stemming raises in wages and it penalized those which gave wages that were too high. The idea was unquestionably a clever one which had, moreover, begun to develop in the mind of a good many people (in the United States they had studied similar tax arrangements, more so than in France, but they never introduced them). Why was the idea only partially and temporarily put into operation? Very probably because controlling the tax was too difficult. To calculate its base, it was advisable to know each firm's situation during 2 successive years, while noting not only its accounts as to value but also the means of production in operation; it was, in fact, a question of penalizing too

rapid increases in remuneration rates but evidently not the rapid increase in actual wages or the rapid increase in the firm's capital. It was necessary, therefore, to define the difference between two returns by using the monetary amounts as numerator, the physical quantities as denominator. Errors easily accumulate on a differential such as this and lead to incorrect results. Should checking wages by means of taxes be impracticable, it would then be necessary to resort to an explicit wage policy united with other cyclical policies. This is what was done in 1976. How do we stand now? Our first concern was to prevent inflation from accelerating, for in spring 1976 we were starting out again with an accelerated price inflation. That was avoided; we remained at that point with prices rising gradually at an even pace. In the second instance, foreign balance of power was achieved: we were no longer running into debt and, as a matter of fact, in 1978 our balance of payments showed a surplus.

The firms' profit earning capacity was to be changed for the better. In fact, if the profit rates had not declined before 1974, the crisis would have succeeded in considerably depreciating to such a degree that the ensuing state of affairs would be no longer tolerable. Has the firms' profit earning capacity been restored? It is difficult to answer that question fully. Of course, we know the results for 1974, 1975, 1976 and 1977 but not over and beyond that, taking into consideration the time element in compiling financial statistics. We know that after a steep decline to rock bottom in 1975, there was a recovery, but the 1977 profit rate was still below its best year: 1972. Besides, it is not necessary to restore the firms' profit earning capacity to the 1972 level, since the latter was in keeping with the growth which they experienced before the crisis. Inasmuch as its tempo has slowed up, the firms' profit earning capacity does not need to be so strong. Moreover, the profit earning capacity will spontaneously change for the better when the productive capacity utilization ratio rises, for today we still have an inadequate utilization ratio. If economic expansion picks up again, the utilization ratios will improve and consequently also the profit rates. As soon as we know from other sources that the firms' profit earning capacity has very probably changed rather clearly for the better in 1978, we can say that we are not too far from our objective on the subject. It is my personal opinion that we have already reached it at the macroeconomic level which is where I take my position. However, the under-employment of equipment percentage is not too high, for the development in productive capacity has resulted in a very slow tempo since 1974 (2 percent a year). Unfortunately, this development has not enabled us to go so far as full employment. The present economic situation's black mark is obviously unemployment; everyone has realized this. We are still going to endure widespread unemployment for some time, particularly because the productive capacities are not such as provide employment for everyone. It would serve no purpose to try to obtain full employment by greatly increasing demand: that would merely mean additional imports and consequently a new foreign deficit.

What objectives should we now propose? We should, of course, maintain the foreign balance we have achieved. We should slow down inflation, for we cannot be content with taxes which are close to 10 percent a year for consumption costs. We should gradually improve the employment situation.

Are we far from achieving these objectives? Once again, the answer is not easy. We are fully aware that the GDR no longer has any inflation despite its present fears: it now records a constant surplus in foreign exchanges; unemployment has stopped increasing there. Perhaps we are not too far from reestablishing a similar situation. But to say this calls for a great deal of optimism.

What are the conditions on which we base this optimism? I shall reply: French competitiveness, perseverance and intelligence.

French competitiveness: everything depends, in fact, on how successful our companies will be on foreign and French markets (for there is substitution among imports and national products). We are constantly analyzing this competitiveness and in particular we are comparing prices used by French manufactures and those of their rival industries. However, our indexes cannot gauge a fundamental dimension of competitiveness, a dimension of a technical, industrial and commercial nature which is characteristic of an effective productive system. Everyone knows that German producers are still exporting despite higher prices because they have good products, only slight delays in delivery of goods and well-organized commercial services. To what extent are we making progress on this level? We are overlooking it and we shall eventually discover it only a posteriori.

Perseverance: It was absolutely necessary that we fully stabilize our economy. The most perceptible aspect of this endeavor was the salary policy; our country understood it. Perseverance was still needed to bring financial rehabilitation to a successful conclusion.

Intelligence: Management of our political economy is a delicate matter; no one can claim to know that best course to follow through its many risks. But there are obtuse ways of putting perseverance and austerity to use: England, which in times past was often a model for industrial progress and later for its economic policy, for the past 20 years seems to be doing its best to show us what should not be done. Wasn't the 1977 unprecedented decline in new wages unwise in so far as it aggravated the crisis and then, in consequence, 2 years later, gave rise to certain outbreaks which the English government no longer succeeded in controlling?

Competitiveness, perseverance and intelligence: None of these three conditions is assured. If all three were, then French economy would be well on the road to full restoration.

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## POST-23D CONGRESS ASSESSMENT OF PCF INTELLECTUALS' ROLE

Paris L'HUMANITE in French 23 Jul 79 pp 1, 2

[Article by Rene Leguen: "The Vitry Commitments"]

[Text] Although the news media were not able to disguise the important position assigned to the improvement of the Communist Party's work among intellectuals in the directions and proposals of the 23d congress and of the recent Ivry Central Committee, they were very careful to analyze their profound significance--and in particular--to size them up as a progressive and continuous response to the teachings of the Political Bureau concerning the nature of our activity, especially during the Vitry meeting.

The directions and proposals decided upon are closely allied with the realities of French society, the consequences of the crisis whose predominantly national character has been demonstrated, the activity, life and ideas of different types of intellectuals, the nature of their struggles and aspirations, and the strategy of socialism's democratic path, which the 23d congress confirmed by enriching it, starting with the experience and analysis of new facts concerning the situation.

Therefore, after the Ivry meeting, the 23d congress established a new stage in order to allow party activity, through greater and also qualitatively different efforts, to be equal to the requirements of the extraordinary political and ideological battle which is developing in the country. The commitments made at Vitry are gradually becoming a reality. They are made to all party members and to all communist intellectuals.

The intellectuals occupy an important place in the party and assume responsibilities at all levels. The recent study on the sociological composition bears witness to the advances made in our organization in different disciplines and intellectual categories. Our initiatives and our support for all of the struggles of intellectual workers, for the defense and development of the national potential, for freedom of speech and of creation, have fostered large single rallies. The works and publications of CERM [Center for Marxist Study and Research], and those of the Maurice Thorez Institute constitute an



actual balance. But all of these important facts concerning the activities of the party cannot hide from us the inadequacy of our work, which must be evaluated with respect to the enterprise, the extraordinary ideological effort of the bourgeoisie and of the social democracy. In order to do this, it is no longer a question of limiting ourselves simply to intellectual neutrality, by relying on the economic crisis and the confusion it may cause. It assumes the necessity for winning them over politically and ideologically to the management of the crisis.

But the crisis affects the intellectuals in different ways; some, because of their professional position, are living through it in a contradictory manner, which produces very different approaches to the crisis of French society, to its outcome, and to the role of the working class, and offers possibilities of unity with the working class. This emphasizes the heterogeneity of these classes which are increasing quantitatively within the same movement, are being developed in new ways, and are characterized by great diversification.

Approached in a general way, the activities of the party among intellectuals could lead, on the one hand, to underestimating the strategy of the bourgeoisie concerning them, a strategy adapted--in its method of approach--to their diversity by intervention in different forms and at different levels. On the other hand, it could lead to a misunderstanding of the needs and aspirations of the different classes, and by way of consequence, it could lead to lack of an effective contribution to the realization of their own motive for fighting for change with the working class.

As was announced at the recent Vitry meeting, the 23d congress has reaffirmed that there are now several classes of communists, and the relationship within the party among blue collar workers, white collar workers and intellectuals is not established in terms of an alliance. We must determine the efforts to be made in order to direct our activity toward this conception of an avant-garde party, made up of blue collar workers, white collar workers, peasants, and intellectuals, with all their diversity. In fact, the tendency to place intellectuals in the party in terms of an alliance usually follows from the position occupied by the intellectuals in society, and also from the immediate needs of the party's activity. Such a step has a diminishing effect by limiting the role of intellectuals to that of assistant to the working class. However, although their contribution to the activities of the party in the management of the different classes of intellectuals is necessary and irreplaceable, it is not sufficient to assign the role and the position which they can hold in it. Therefore, what characterizes party unity is the unity of all of its members, with equal rights and duties, on the basis of fundamental objectives which they define together, and for which they fight together.

The decision to place the activity among the technicians, engineers and managers under the responsibility of the enterprise sector of the Central Committee has initiated a valuable step for all of our activity among intellectuals. To foster diversified activity, in close connection with the realities



and consequences of the crisis, for technicians, managers and engineers, is to take up a position resolutely in the activity of the party to the undertaking, which is at the heart of our strategy. It is to be aware that the undertaking is a trouble spot in the political combat, the ideological war in which we are engaged. It is to assign the position of these classes in the preparation of our activity, to the undertaking, it is--with the entire party--to participate in the action for the development of struggles, in the organization of the lower coalition, in the conscious organization of the alliance with these important categories of workers.

More specifically orienting the operations of all of the intellectual disciplines in a similar direction, while considering their diversity, their characteristics, and their aspirations and demands, is an important step forward in the correction of our defects, so that we may go forward to a new stage in our operations.

This new stage, which is based on a new consideration of the specificity of intellectuals, will be greatly enriched by the decision to study social strata, and their diversification, and not only at the sociological level, but also at the level of their experience, their behavior and their awareness.

The advancement of our policy requires that we reserve particular importance for the ideological struggle, at the level of the present undertaking. The objective is not only to cause a withdrawal of the influence of ideas developed by the authorities and the employers, but to win new strength in the struggle for change, to extend the influence of scientific socialism which requires a consistent contribution from communist intellectuals.

At Vitry, Georges Marchais stated: "It is important, therefore, to approach the great contemporary problems in a creative and convincing way by bringing to light the liberating aspects of our plan for society and of the theory on which we base our action."

Although, in this approach, we conceive liberty as a means for every man and every woman to develop their personalities to the utmost, this implies reflection and concrete initiatives so as not to set social liberation and individual liberation against one another.

The conditions of the struggle, the advancement of our policy through the strategy of the 22d and 23d congresses, and its establishment demonstrate that the correction of our inadequacies is proceeding through a greater effort of our theoretical research operations which, without being confused with our political and ideological battle is inseparable from it. Such an effort, starting with the needs linked to our strategy and to the reality of the crisis, require a contribution from all communist intellectuals, and a development of their studies and personal initiatives.

By deciding to hold a central committee concerning the party activities among intellectuals and cultural problems, which will take place in February 1980, the 23d congress accepted as its own the commitments of the Vitry meeting and stressed its determination to see them gradually made concrete, with the contribution of all of the intellectuals.

As Georges Marchais stated before the recent central committee at Ivry, it is a question of "determining the lines of strength of a new offensive in order to win over the great mass of intellectuals to the struggle with the communists for democratic changes and socialism. In particular, this makes it necessary to proceed to an indepth analysis of what intellectuals are in the diversity of their situations, of their demands and aspirations, and of their cultural problems, to define initiatives which can be made concrete in the struggles, the alliance of intellectuals in the working class, to carry our battle of ideas to the level of the actual undertaking, to develop our work of theoretical research, and to state again exactly the position and the role of communist intellectuals within the party."

The plan of resolution which will be developed under the direction of the political office will benefit greatly from the work of the 23d congress, from important contributions which preceded it over a period of 3 months, and also from all of the considerations which preceded and followed the meetings at Vitry, and from experiences drawn from the establishment of the first proposals, especially for technicians, engineers and managers, as well as for teachers.

This enrichment will be prolonged by the opening of a discussion forum in L'HUMANITE and FRANCE NOUVELLE, permitting all party organizations and all communists to be associated with the establishment of this resolution. In this way, we will set up a confrontation of opinions and a discussion of ideas, which are the only means capable of making the party go forward, while rejecting the attempts of some of the media to impose upon us from the outside the choice of themes for our work. By retaining for the party the mastery of the necessary internal debate, the right of everyone to discuss freely within the party, and therefore, to bring to it a personal and effective contribution with respect to orientations established by the 22d and 23d congresses. The improvements which we are constantly bringing to the establishment of democratic centralism contribute effectively to the consideration of all of the new theoretical and political knowledge which we have accumulated since the resolutions concerning intellectuals adopted in 1966 at Argenteuil.

The other decisions which preceded the holding of this central committee and which are in keeping with the organization of the work of party leadership, mark the determination, with respect to the orientations of the 23d congress, to contribute to the progress of everything that can and must be done from this time on, and is considered a means of giving the preparation of this session all of its amplitude and all of its size.

In particular, it is thus from the separation between our daily presence in the battle of ideas, by a permanent analysis of themes advanced by the bourgeoisie and the social democracy, from a plan of our own themes of propaganda and of theoretical study and research for which the creation of a new research center combining CERM and the Maurice Thorez Institute may or may not encourage the development of personal initiatives of communist researchers to approach the great contemporary problems as Marxists.

Furthermore, the creation of a weekly magazine addressing itself to intellectuals would constitute an inventive method of making our theory and our policy known to intellectuals through the participation of a greater number of them in its preparation, so that by sharing our policy and our theory, they may approach in an open, creative, living manner the great questions which are posed to them.

At the Vitry meeting, Georges Marchais stated in conclusion: "The commitments will be kept. Everyone can measure the path which has been followed."

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COUNTRY SECTION

FRANCE

BRIEFS

NUCLEAR RESPONSIBILITIES ASSIGNED--Guy de Commynes, who is leaving his post at the embassy of France in Algiers to become a government diplomatic counselor, will be made responsible for nuclear matters. [Text] [Paris LE POINT in French 17 Sep 79 p 55]

CSO: 3100

## PROBLEMS, WEAKNESSES OF TRADE UNION MOVEMENT DETAILED

Athens TO VIMA in Greek 5 Aug 79 p 8

[Article by Vas. Tsannetakos: "After Major Strikes, Labor Movement Looking for a New Identity"]

[Text] The labor movement finds itself today at perhaps its most decisive juncture since the change in government of 1974, and it seems that it is searching for its "identity" from out of its objective weaknesses and the attacks which it is sustaining from many sides.

Despite its superficial militancy, this movement finds itself at the present period in a crisis which is not only due to the State's efforts at indoctrination but also to its "internal" weaknesses and the rivalries of the groupings which play the primary role in the shaping of its course and its features.

These rivalries have weakened the effectiveness and the scope of its struggles for its demands, despite the efforts which are being made to "clean up" the methods which are used and to "idealize" the objectives which are set.

Without disregarding the disruptive--and repressive--role of the government with respect to the trade-union movement, the fact cannot escape notice, especially in recent times, that trade unionism, despite its occasional moments of triumph, is not managing to play the role which "rightfully" belongs to it.

Thus the government--and by extension the GSEE [Greek General Confederation of Labor]--are following with evident "satisfaction" the objective inability of the "vindictive" labor movement not only to have a substantial influence on the revising of social and economic policy, but furthermore even to coordinate its activity towards common goals and common demands.

"Show of Force"

The strikes, large in both size and duration, which held sway in this year's period of labor actions were limited to a "show of force," and



in the last analysis they had results which ranged from slight to nonexistent, despite the fact that they particularly "inconvenienced" the government and demonstrated the "isolation" of the official trade-union leadership.

Even though the income policy of the government--in the charting and imposition of which the GSEE energetically collaborated--constituted the chief target of the strikes of 1979, it remained unchanged despite the fact that it drew and continues to draw the fire of the overwhelming majority of workers and "militant" trade-union organizations.

The "resolute" attitude of the government vis-a-vis the economic demands of the workers is due, to some degree, to the knowledge that the "vindictive" trade-union movement--for reasons which are directly connected to a policy of expediency and to factional rivalries--would not be able to coordinate its activity or would not want to come into direct conflict with the government. These lines are not being written with the intention of sowing "defeatism," but in order to point out an objective fact: That of the inability (or unwillingness) of the trade-union movement to fight for the demands of the workers by means of measures which are more "substantial" than rhetorical proclamations and denunciations.

#### "Indecision"

The "indecision" which has been observed in recent days with respect to coordinating the activity of four unionist "rallies" for dealing with the superficial energy policy of the government confirms the existence of "inherent" problems which are impeding the charting of fundamentally unified tactics. The mechanisms which move on the sidelines and behind the scenes of these "rallies" have not yet managed to agree even on the calling of a protest meeting, which constitutes the most basic form of opposition to the government's measures.

The same phenomenon of "indecision" had been observed also at the critical point of this year's period of trade-union actions, when once again it proved impossible to have a somewhat more energetic response--going beyond proclamations--to the government's policy of "unilateral austerity." This policy was imposed without significant "sacrifices" on the part of the government and without the mobilized effort of 1978 being repeated, which to be sure did not thwart this policy then either but which in any case profoundly "puzzled" the government, and which demonstrated in practice that the GSEE does not express the will of the workers.

#### The Working Hours

One result of the inability to cooperate and of these rivalries was that the income policy for 1979, despite its reactionary nature, was

able to "get through" much more easily than it has in the past, and this lent to the minister of labor the distinction, at the governmental level, of being "one who successfully managed to control the labor movement" (the major strikes at the DEI [Public Power Corporation], of the teachers, and so forth, constitute the exception to this "rule"). It now seems that the opportunity which has been available since last month to the "vindictive" labor movement to "make amends" on the occasion of the government's measures for working hours, and so forth, is passing by without being exploited, and that the bank employees alone are bearing the burden of forceful counteraction--and they are being fired at and subverted not only by the government but also by trade-union circles and mechanisms.

These circles and mechanisms regard as pointless the mobilization of the bank employees, on the theory that there is no chance of the government giving ground and accepting the views of the strikers, mainly for reasons of "face"--whatever there was left to it, of course, following the continued retractions and inner-governmental squabbles. According to the same reasoning, the prolongation of the mobilization is also pointless, and consequently a "formula" ought to be found for yielding on the matter of the working hours, or for the replacement of the demand now being raised with others which are more general and which can cover a broader spectrum of workers.

The government's position that in the last analysis the bank employees have been "abandoned" by the large mass of workers and are struggling by themselves against the government's measures has some basis in fact. The responsibility for such a development is borne primarily by the two trade-union groupings of the opposition which--each for different reasons--did not agree on a more energetic and broad confronting of the government's measures.

It had been pointed out in these columns at a time when this was not suspected (14 January 1979) that the government was "resolved" to implement its policy, being indifferent to the consequences. At the same time, the "inauspicious" forecast had been expressed that "the labor problems which many branches of workers are faced with can appreciably restrict the effectiveness and the general popularity of the mobilizations, to the benefit of course of the government's policy...."

#### Confrontation

Today in these columns these words have the disagreeable "privilege" of being "vindicated," primarily on account of the "inflexibility" which characterizes the two chief agencies of the unionist opposition, which find themselves in an almost open confrontation--with still unforeseeable consequences--despite the "intermediary" efforts of the third force in the opposition.

The developments which are being seen today in the "vindictive" trade-union movement, with its inability to coordinate its activities and its "refraining from" more substantial and mass-based mobilizations, cannot as a whole be isolated completely from the more general political situation. It seems that the chief groupings of the unionist opposition--according to certain assessments--do not desire to encourage a broader strike movement and thus bring about a political "problem" for the government, and they are limiting themselves to supporting those mobilizations through which they believe they are at least preserving their unionist "credibility."

These assessments have a factor in common with the findings concerning the "indecision" with respect to coordinating strike activity which was mentioned above: Both of them (the assessments and the findings) are directed at the stagnation of the vindictive movement and consequently at the "unimpeded" implementation of the government's income and other policies.

It seems that the rhetorical proclamations and the appeals for unity, along with the denouncing of the government's policy, constitute the screen behind which an "unwillingness" to undertake "militant initiatives" is hiding, since they contain among other things the "danger" that they might get out of hand, at the "critical" moment, because of the "spontaneity" of the masses and the acuteness of the problems which they face. Thus it seems clear that the time for confrontation between the government and the opposition is being postponed to at least the autumn or the winter.

#### The Initiatives of the GSEE

The worsening of relations between the government and the workers--independently of the political and economic costs of implementing the "tough" policy of the government, or of the objective capabilities (or rather inabilities) of the labor movement to thwart this policy--coincides in time with the "revival" of the initiatives of the GSEE's "leading group" in connection with the "reestablishment" of a certain amount of contact with a part (or parts) of the trade-union opposition. This "reestablishment" consists not so much in getting the opposition to lower its tone of criticism toward the GSEE (through its "discovery" of the "positive initiatives" of the GSEE in pinpointing serious labor demands and its "recognition" of the GSEE's "leading role" in contending for these demands) as it does in seeking the "help" of the opposition in the "restoration of the unity of the labor movement" by its participation (as a fixed minority) in the executive apparatus of the GSEE--which will be widened in number by a number of members, according to a provision of the new articles of association which were approved by the "congress" of Kalamai.

The GSEE's "leading group" recently repeated its proposals to at least two factions of the opposition concerning their participation in the administration of this confederation, in implementation, even though after a delay of many months, of the plan which was aimed at making the GSEE "representative," with most of the opposition movements joining its ranks but with the majority vote under the control of those leading figures--governmental and other figures--who have formally had control of the leadership of the movement from 1974 on.

#### The "Explanation"

In the sector of the party of the opposition, it seems that intense "speculation" has developed in connection with the possibilities--but also the consequences--of the "broadening" of the GSEE's administration with officers coming from the democratic sector.

This "speculating" is at present encountering serious obstacles because of the refusal of leading trade-union officers to embrace the theory that their participation in the GSEE ensures the unity of the labor movement and opens up prospects for the future control of the confederation.

The "incipient signs" of this "rapprochement" have given rise to sharp polemics from the faction of the "traditional" Left--which, it seems, has overcome its own "problem" relative to its possible "cooperation" with the GSEE on the basis of its participation in the administrative apparatus of the confederation.

The proposals for the participation of the opposition in the role of a "fixed minority" had been made even before the "congress" of Kalamai, with the "prospect" being suggested by the GSEE's "leading group" of the new administrative body being elected with the same composition of forces, generally speaking, which had arisen from the first post-dictatorial congress of the GSEE (24 persons with rightist views of every sort of leaning, and 11 from the Left).

The three factions of the opposition (ESAK [United Antidictatorial Labor Movement], PASKE [Panhellenic Militant Workers Trade Union Movement], and AEM [Antidictatorial Labor Front]) speculated gravely about the policy of expediency and the consequences of their possible "fixed" participation in the administrative apparatus of the GSEE, and finally they ended up rejecting the proposal of the GSEE's "leading group," repressing certain "esoteric" points of view and contrary opinions which were backing such participation by means of various logical or seemingly logical arguments.

On the eve of and in the limelight of the Kalamai "congress," and at a top political (party) level, various discussions took place with the "leading group" of the GSEE and certain agreements were achieved on the participation of a portion of the opposition in the GSEE's new

administration. But this arrangement did not ultimately "fare well" with leading officers in this portion of the opposition, who openly thwarted the "solution" which had been worked out--with the substantial help of a political figure who has a past of extensive unionist activity and who has a strong presence on the parliamentary scene today.

A powerful movement in favor of participation in the GSEE's administration had developed also in the faction of the "traditional" Left, but without this managing to be given expression, because the "hard-line" tendency prevailed which did not accept a "reconciliation" with the GSEE. To a degree, this trend influenced the other two factions of the trade-union opposition in their rejection of the GSEE's "offer," in that they did not want to shoulder all alone the burden of "cooperation" with the GSEE and thus become recipients of the polemics and criticism of the third and "incorruptible" faction, as collaborators with and "accomplices" of the GSEE.

12114  
CSO: 4908



## CEMA NATIONS PROPOSE ALTERNATIVES FOR BAUXITE

Athens HELLENEWS-EXPRESS in English 6 Sep 79 pp 3, 4

[Text] Bauxite has been the leading mineral in the Greek economy since the end of World War II. A review of the present situation in the industry reveals the following aspects:

- First is the Government's overall policy which aims at producing as much aluminium as possible rather than export alumina or plain ore.
- Second come BAUXITES PARNASSE S.A. who signed an agreement in 1976 with the Greek Government for a \$250 million investment in an alumina factory capable of a 600,000 ton-per-annum output in its first stage and 1,200,000 tons later on.
- Third is ALUMINIUM DE GRECE, S.A. which follows its long-term development planning and is presently preparing for a possible increase in its output of alumina by 100,000 tons per annum.
- Fourth is the interest shown by COMECON nations (USSR, Hungary, Bulgaria and Poland) which, at various times, have discussed production of alumina and aluminium from Greek Bauxite.

The problems facing this industry in Greece are known. Whereas two tons of Bauxite can yield about one ton of Alumina at a cost of 300 KWH, it takes up to 18,000 KWH to produce one ton of Aluminium out of about two tons of Alumina. Cheap electric energy is not available in Greece. As reported in last week's issue (item 3), the Soviet Government has suggested a 400,000 ton-per-annum Alumina factory and, earlier, Poland had suggested shipping coal to Greece to fire power generating plant for an Aluminium factory. Both proposals are attended by a number of practical problems which require careful study. The Bulgarians have offered electric energy for a joint Alumina venture. Alumina obviously presents smaller problems as regards production but is less easily sold on world markets. The Soviet Government has intimated that it would be prepared to absorb the entire 400,000-ton Alumina output and pay for it with Aluminum products. The Greek side counter-proposed sale of Alumina for natural petroleum gas.

The Bulgarians could absorb a further 250,000 tons of Alumina per annum and have offered the necessary electric energy. If the two could be combined, it might become possible to dovetail them into the 650,000 ton-per-annum project which BAUXITES PARNASSE would like to start. This does not imply that the Company has dropped its own independent negotiations with other foreign interests which are understood to include the Hungarians.

The Polish proposal is still at the stage of preliminary study. What is not yet clear from such official statements as have been made is the extent to which the proposals submitted by COMECON nations can be regarded as the result of concerted action or reflect a modicum of competition among them for access to Greek Bauxite.

CSO: 4920

## ZACCAGNINI VIEWS COMING SESSION'S POLITICAL OPTIONS

Rome IL POPOLO in Italian 5 Sep 79 pp 3-4 LD

["Full text" of Christian Democratic Party (DC) Secretary Benigno Zaccagnini 4 September address to DC National Council: "Challenge to Parties on Specific Topics"]

[Excerpts] Dear friends, the topics listed on the agenda--the government crisis and the setting of a date, place and theme for the 14th congress--confer an unusual importance on this national council meeting.

Our debate, moreover, marks the beginning of the resumption of political activity, following a summer break during which we have witnessed the reappearance of all the indications of the general crisis which has been affecting the country for some time and which now seems to be promising difficult days ahead for our economy, for our society, for the republican institutions and for the democratic forces governing them.

The topic of governability dominated the complex political events of the last government crisis, whose solution we must approve today in the form of a party rule.

The crisis has raised once again the issue of our relations with the Italian Socialist Party [PSI], as one of the essential problems of the country's governability.

This observation stems above all from a realistic evaluation of the balance of power expressed by the voters at the latest general elections. They confirmed something which emerged particularly clearly also during the previous legislative period, but which has been a permanent factor in the past 20 years of Italian political life, and that is that without a stable and lasting agreement among the DC, the secular democratic parties and the socialist party it is difficult for a government to be formed or, once formed, for it to survive long.

## Evolution of the Political System

Against the backdrop of this enduring factor there has been a profound change in recent years in the ways in which the other political forces and particularly the PCI have acted within the overall evolution of the Italian political system.

There has been a new attitude on the PCI's part since, having left behind the line of prejudiced opposition, that party shouldered its share of responsibility at a particularly difficult moment for the country, thus permitting the existence of DC-led governments, either through cooperation on the program or through participation in the parliamentary majority.

There has also been a new attitude on the part of the intermediate parties which, though they all eventually agreed with the DC on the impossibility of shared government commitment with the PCI, did nevertheless accept, support or encourage (as even the Italian Liberal Party did initially) forms of national solidarity involving communist party responsibility.

Above all there has been a new attitude on the PSI's attitude toward us and toward the communists. I believe that the turning point can be identified in the AVANTI! editorial written at the end of 1975 by Deputy Francesco de Martino, who brought to an end not only a government--the Moro-La Malfa government--but also a system of political balances known as the "center-left." This line was subsequently interpreted and developed at the Rome and Turin congresses which, by means of considerable variations and adaptations, certainly made it more flexible and more open to and well-disposed toward a dialog with us as well--still, however, within the strategy of the leftwing alternative or of a "rotation" inherently incompatible with any effort to continue or resume the old center-left.

We had to take all this into account during the evolution of the government crisis, and we must bear it in mind now in connection with future political evolution. Indeed, we regard it as unfounded and irresponsible to put forward a historical or political interpretation which sees the national solidarity phase as banished from our own experience and from that of all the other parties which participated constructively in it, as if it were an interlude which began with the 20 June 1976 elections and ended definitely with the 3 June elections this year.

It is true that there was a breakaway by the communists which in certain aspects seemed like a rejection of that policy. And previously, before this same national council, we have not failed to stress the grave responsibility shouldered by the PCI when, apparently in the terms of an ultimatum, it presented a rigid choice between its direct participation in the government and its return to opposition, thus necessitating the recourse to early elections. But that breakaway did not and could not automatically lead to a return to the policy of the sixties. Indeed, the country's situation is now profoundly different because of a social evolution marked by greater

strength in the social components, by the broader and more persistent demand for civil rights, by the rising demand for change in living standards and by the various signs of recovery in modern forms of religious practice; but also because of the transformation of the economic framework, whose fundamental crisis, the emergence of grave threats to the democratic institutions and to the political freedoms themselves and, last, the changes which have taken place within the parties and in relations among the parties.

All this was contained in the previous national council meeting's final document--a document which, though the subject of unilateral and submissive interpretations, contained the elements of orientation for resolving a complex and in some aspects contradictory situation.

While, as I have already pointed out, on the one hand the document noted the rigid communist stance and thus pointed to the range of forces from the PSI to the Italian Liberal Party available for the establishment of a possible majority, on the other hand, by approving my report, it confirmed that the basic guideline for the DC remains that of national solidarity in the sense of a constructive and open dialog, without any prejudices, with the forces which have historically been involved in building our democratic state--forces which, though differing in various aspects concerning their evolutionary processes among other things, are all essential to the commitment to surmount the crisis and safeguard the democratic institutions.

The exceptional political difficulty which emerged during the government crisis and which survives even today stemmed from the need to take such conflicting situations and tendencies into account and to direct them toward a positive outcome.

It is true that a political commitment aimed at realizing the very form of national solidarity attempted during the previous legislative period in terms of parliamentary or government formulas could be judged abstract and unrealistic. But apparently no more abstract and unrealistic than the tendency to consider that the agenda for our latest national congress aimed to eliminate the communist issue from Italy's political problems.

Apart from this, it was not and is still not possible to forget the socialist position, which has for some years been characterized by the quest for a strategy involving the communists to build a leftwing "alternative," albeit through a transitional "rotation" in government or at least by means of that attainment of the objective--even in the short term--of weakening the DC's alleged hegemony.

In the intermediate parties also--at least, in some of them--the theory of a "secular alternative" has prevailed, though it is impossible to see how the introduction into Italy of the German model of an alliance between liberals and socialists to form a majority can realistically dispense with the decisive presence of the two major parties, and especially how it can fail to take into account the strong pressure for leftwing unity.



## Dissolution of Parliament

Amid the complexity of this political framework the significance of Deputy Craxi's socialist candidacy for the premiership had to be taken into account during the crisis and must still be taken into account.

Our attitude to his candidacy has been the subject of many criticisms, sometimes even from within the party. Some people have reproached us with failing to state from the outset our unwillingness to accept a socialist prime minister, while others felt our refusal was too hasty and insufficiently considered, since it appeared before it was possible to enter into specific talks on the program.

The truth is that we have never imposed and never intended to impose a prejudiced rejection of the possibility of a non-DC premiership.

Our willingness to support the premiership of the lamented Deputy La Malfa was at the time full and honest, in the hope that it could help to avert the error of an early dissolution of parliament.

La Malfa intended to do a genuine service to the country, by forming a government with a preestablished majority in a situation in which it seemed that no Christian Democrat was in a position to succeed.

That attempt enjoyed our full approval because, though it implied a significant innovation for the secular forces, it did not disregard the topicality of the DC's historical role.

Now there is no doubt that the transfer of the premiership to a party other than the one enjoying the majority--albeit only a relative majority--that is, the departure from a rule established by the popular mandate, is possible, but only as an exceptional measure justified by the real political aim of securing, by means of that decision, valuable results for the country which could not otherwise have been achieved.

This is why we did not stipulate our opposition to the Craxi experiment, because it was our duty to ascertain whether, on the basis of the post entrusted to him, it would be possible clearly to achieve greater political stability and better conditions for the country's governability. But our demands for clarity did not prompt a sufficient and adequate response.

The assurance that the PSI's objective in this legislative period was not a leftwing alternative but simply rotation at the highest level of executive power did not seem satisfactory to us, partly because it was accompanied by settlements by some of the most authoritative socialist representatives exalting the new central role of the PSI, which was supposedly taking over this role from the DC, relegating it to the function of the conservative wing of the Italian political system.

The hypothesis of "rotation" in the absence of an adequate preparatory debate and of a mutually agreed general political plan thus eventually seemed like a solution indiscriminately open both to the leftwing alternative and to the secular alternative, both unambiguously aimed at ending the chapter of our national history in which the DC has hitherto held a central and balancing position.

On the other hand, we consider it legitimate for others to aim at alternative solutions which envisage our transfer to opposition, but I believe that nobody can ask us to encourage or support them.

This showed, during the crisis and especially at its most significant moment--when the post was given to Craxi--that the abandonment of not only the formula but also the policy of national solidarity did not open the way to a straightforward return to a center-left policy or, as somebody preferred to redefine it, a left-center policy, except in appearance or for purely ulterior motives. Instead, it was shown that that abandonment opens the way to new and various solutions, in which the interruption of the DC-PCI dialog--while the dialog between the PCI and all the other components of the left continues--forces our party toward a role limited to representing the country's moderate interests and ultimately therefore a subordinate or opposition role.

Now after the experience of recent months and making use of the period of truce granted to us by the Cossiga government, we must constructively consider the problem of the future.

Even with the Communist Party in opposition, the dialog must be continued and developed not only on topics and options of a constitutional nature, but also on the basic issues of foreign policy, economic policy, and the defense of the democratic order inherent in national options on which we must seek the consensus and solidarity of the broadest economic and social forces and therefore of the parties representing them in various ways, because these parties' cooperation--irrespective of their parliamentary position--is proving increasingly useful and in some cases necessary. The prime minister did well, therefore, in his inaugural speech to parliament, to stress the desirability of suitable consultations with the opposition as well.

I must also point out that the most recent stances expressed by the PCI--on which a debate has started among the communists themselves--provide scope for a dialog which we hope will be thorough and profitable.

All this does not rule out, indeed it presupposes the development of the dialog and exchange of ideas with the secular and socialist parties. We have never intended to monopolize the dialog with the PCI, to close a dialog between the two major parties to all the others, as if to restrict their chances of making their own original contribution within a framework of political pluralism so deep-rooted in our tradition and more than ever in our country's democratic nature.

Of course, we cannot ourselves either welcome or facilitate the establishment of an understanding among all the rest directed against us, whether it be called a leftwing alternative or a secular alternative; on the contrary, we are convinced that the existence in the country of a "communist issue" also demands broad and committed reflection among the democratic parties with the most similar political experiences.

We have been and want to remain open to a dialog and to every opportunity for cooperation with the parties of the secular area and with those of the socialist and Marxist area. But we refute the idea of alliances being imposed on us by others and of an attempt, by means of these alliances, to define our role and distort our centrality from outside.

We do not accept the absurd division of Christian Democrats into prosocialists and procommunists. We are only ourselves: Understandings and political and government alliances are a consequence of and not the precondition for our interpretation of our own role.

There has for a long time been a dispute--and the debate experienced some acute phases during the crisis--over the topic of the DC's historical role.

This is an important issue, which in fact raises once again the question of relations among political forces, the democratic parties' conduct, their vocation, their identity and their ability to interpret the country's real interests.

On the other hand, in a phase characterized, despite many ambiguities, by a strong thrust toward a hypothesis of rotation as an element in a new and convincing political balance, it is entirely understandable for the debate to center on our historical role and tend to take the form exclusively of a challenge to our so-called "centrality."

We do not want to and we could not evade this provocation. We intend to provide answers in the knowledge, moreover, that they could not be definitive and, on the hand, that it is our conduct rather than our words which will be decisive. We believe that calm dialog and quiet analysis can provide fruitful opportunities for developing the political debate, but we must also say that the ground must be cleared of certain ambiguities, automatic assumptions and dangerous misunderstandings.

We are not indifferent or hostile to the very objective of rotation. We have always committed ourselves to a difficult and patient role of guarantor, certainly not to reduce or paralyze the democratic experience but to make it grow.

Therefore we do not fear less-than-reassuring solutions, and we are not at all insensitive to the physiological functioning of democratic rule, even when it works against us. But we also believe that we must warn against

oversimplifications and summary interpretations, which are all the more harmful the more divorced they are from the reality of the social and political system. In short, rotation is not a theoretical conjecture but a goal which must be attained without jeopardizing the future of democracy and without forming a hypothesis which is too narrow in view of the complexity of our situation.

CSO: 3104

## PCI APPROACHES PSI MEETINGS WITH 'EXCEPTIONAL COMMITMENT'

Re: L'UNITA in Italian 3 Sep 79 pp 1-2 LD

[Unattributed report on PCI Directorate member Giorgio Napolitano 2 September speech at PCI festival in Ravenna: "New Development at Stake"]

[Excerpt] The topics for the resumption of political activity are clearly defined, especially following the debate which has opened on Berlinguer's RINASCITA article. The need for a new development of the country is emphasized by the pressure of inflation and of the energy crisis, while the Christian Democratic Party [DC] national council session opening tomorrow with a report from Zaccagnini stands out on the political calendar.

Speaking at the L'UNITA festival in Ravenna, PCI directorate member Deputy Napolitano entered the debate under way among the political forces: We are following with interest, he said, the debate prompted by Berlinguer's RINASCITA article. We appreciate the committed and constructive contributions from various quarters and even from DC representatives. But we warn against dismissive and manipulatory interpretations of our stances.

We intend to initiate a broad dialog on the need for a thorough change in the directions of the country's economic and social development, linking this outlook to the quest for specific solutions to the most pressing problems.

Therefore it is not a matter of resuming the dialog with the DC, as if nothing had happened during the past year. We cannot return to forms of "democratic solidarity" which recreate the misunderstandings and contradictions which forced our party to leave the majority. The discourse initiated by Berlinguer is aimed at promoting a clarification and some movement on the points on which the DC's ambiguities and maneuvers centered during the period of cooperation among the DC, the PCI, the Italian Socialist Party [PSI], and other democratic parties, namely the new course to impart to the nation's life through an austerity policy involving untangling the grave distortions in the use of resources and in the administration of public affairs and establishing new objectives for development and new values, new criteria of real justice and more advanced social relations.



The DC must not evade an explanatory dialog on this essential topic by entrenching itself in its rejection of a government containing the PCI and by reducing the debate to the issue of government formulas. We shall see whether the DC representatives succeed in leaving behind past ambiguity by adopting a specific and consistent commitment on the content of a regeneration.

It is very important that the opportunity for substantial convergence between communists and socialists be realized on the issue of what kind of economic and social development should be pursued in Italy. We are talking about convergence on aims and methods (or economic policy especially) and not just on general demands. In this connection certain hasty commentators must not pretend to be unaware that, behind the argument contained in Berlinguer's article, there lies the specific formulation of government proposals which our party has put forward in recent years. In particular, there is the proposal of a policy of programming, organized by means of several laws, which has already prompted some harsh political and social conflicts and some of whose inherent limitations must, moreover, be surmounted.

This is a fundamental area for a joint quest and rapprochement on the part of the PCI and PSI—an area also for a constructive dialog with the more advanced forces of the Italian Republican Party. It is quite obvious to us that a policy of programming and a new economic course cannot proceed unless the crucial issue of the regeneration of the state, of the functioning of its structures and apparatus, of reform and of a new thrust to the major social and cultural institutions is tackled.

The more united the communists and socialists are around a platform of this kind, the more difficult it will be for the DC to avoid choosing between demands for change and the tendency to perpetuate the old directions and the old government practices. We are convinced of this. We are therefore approaching the coming meetings between PCI and PSI leaders with exceptional commitment. We therefore cannot understand the polemic being conducted by the socialist comrades who appear to fear our "direct relationship with the DC" or our support for "the DC sectors most harshly opposed to the PSI."

We could reply to Comrade Balzamo that it seemed rather that the PSI has recently been encouraging the DC's most anticommunist sectors. But we must shun games of this kind. And we must reply to Deputy Galloni, who urges the PSI and other parties "to agree on a joint strategy on the communist issue" by agreeing instead on convergent action among the leftwing parties to extricate the DC from ambiguity, to combat the rightwing postures and claims to domination which have prevailed within the DC leadership and to resume the policy of democratic solidarity on new bases.

## CABINET ABOUT TO ADOPT '80 STATE BUDGET

The Hague ALGEMEEN NEDERLANDSE PERSBUREAU in English 30 Aug 79 p 1

[Text] The Hague, August 29--The Cabinet is putting the finishing touches to the 1980 budget financing plan with only a few hundreds of millions of guilders in revenue measures still to be finalised, a Government spokesman said here today.

Asked to comment on press reports that Finance Minister Frans Andriessen had largely swallowed earlier proposals to cut government contributions to social security funds by some one billion guilders, he said this question had been solved and that there might be little significant change in government contributions.

The 1980 State budget is to be presented to Parliament on September 18 when Queen Juliana will open the new parliamentary year with her traditional 'Speech from the Throne,' outlining government policy.

The Government pays about 10 billion guilders a year into the social security funds, with employers and employees also contributing.

## Financing Deficit

The Finance Ministry spokesman said the Minister would like to cut the combined financing deficit of the central and local governments combined to near five percent of national income but the Government was also trying to maintain the purchasing power of the average and lower paid workers.

In July it seemed this purchasing power was not in danger and lower government social security contributions could help reduce the financing deficit, he said.

However, the picture had since deteriorated and employers had opposed a potential increase in their contributions and those of workers which would hit profitability and lead to increased wage demands.

## Indirect Taxes

The spokesman said indirect tax increases could be expected where the effect on lower paid workers should be small.

Dutch press reports say the Government is considering a value added tax rate on energy intensive luxury goods of 25 percent, compared with the current top rate of 18 percent, and higher taxes on big cars, rather than increasing the direct tax burden.

Meanwhile, Mr Wim Kok, chairman of the largest trade union federation, the FNV, said the FNV would make extra wage demands in 1980 if this was necessary to maintain the purchasing power of workers up to and including the average.

The Government has been considering removing higher energy costs from the inflation compensation built into Dutch wage agreements.

CSO: 3120

## FNV MAY DEMAND EXTRA PAY RISE IN 1980

The Hague ALGEMEEN NEDERLANDSE PERSBUREAU in English 29 Aug 79 p 2

[Text] Amsterdam, August 28--The Socialist-Catholic FNV trade union federation will call for an extra wage increase next year if the purchasing power of the lower income brackets should drop, federation chairman Wim Kok said here on Monday night.

Mr Kok noted that such a drop was likely if the automatic wage adjustments to price rises were insufficient to maintain the purchasing power of workers with incomes of up to about 30,000 guilders at the present level.

This would be the case if the Cabinet carried out its plans to lower the Government contribution to social security premiums next year as a result of which the premiums to be paid by the workers would have to be raised, he said.

Speaking after an emergency meeting of the FNV council, following the strikes in the port of Rotterdam, Mr Kok said the FNV endorsed the stand taken by the FNV transport trade unions in the port, which do not support the strikes.

He described the situation in the port as 'most alarming and tense.' His alarm also concerned the lack of collective labour contracts for the dockworkers and for the petrochemical industry in the Rotterdam port area.

## Employers' Failure

Mr Kok felt that the employers could also be blamed partly for the present situation. They should have reacted earlier to the transport union's demands for a new collective labour contract, he said.

The FNV chairman expressed anger at Prime Minister Dries van Agt's 'pat on the back' of FNV official Frans Drabbe for statements on the tugboatmen's strike.

Mr Kok claimed that the situation in the ports was partly the result of the Cabinet's failing policy. The Cabinet had so far refused to give sufficient support to the trade unions to enable them to conduct a successful policy, he said.

He said that the Van Agt Cabinet, and also the employers, made it increasingly difficult for the trade unions to adhere to the principle of solidarity with the weaker groups of society.

CSO: 3120



## NATIONAL INCOME GROWTH FORECAST

The Hague ALGEMEEN NEDERLANDSE PERSBUREAU in English 30 Aug 79 p 5

[Text] The Hague, August 29--Real national income growth in the Netherlands is expected to average little more than two percent per year in the next 10 years, Mr F.W. Rutten, Secretary-General at the Economics Ministry, said here on Tuesday.

The sharp rise in oil prices lead to slower growth in industrial countries and higher inflation, while the balance on the oil markets was precarious, with little needed to bring an acute threat of shortages, he said in a speech (see also p. 4 of this issue).

The battle for markets would become even more difficult and the danger of protectionism would certainly not decline, Mr Rutten said.

Dutch industrial production had grown somewhat more strongly since mid-1978, inflation is lower, unemployment had not risen further and the balance of payments had turned in the direction of equilibrium, he said.

## Energy Crisis

However, the 'new energy crisis' since the turn of the year had hardly worked through yet into economic indicators.

Recent developments on international oil markets would exert an unfavourable influence on world economic development and on the open and trade-dependent Dutch economy, which would be confronted with extra demands in the 1980's at the same time as the contribution from natural gas declines, Mr Rutten said.

Expected population growth would leave only about one percent of national income growth over, on top of which public sector growth was difficult to brake and some wage rise, particularly due to wage drift, had to be taken into account, he said.

Company profits and funds available for the substantial investment needs were thus expected to remain relatively modest in the coming years, Mr Rutten said.

It was unrealistic to believe some room could be created for the necessary improvement in profitability through a cut in real disposable incomes of large sectors of the workforce, although a decline for higher income earners was expected, he said.

#### Handicap

The Government would shortly outline an energy policy designed to brake drastically the growth in energy consumption and particularly oil imports, he added.

The energy-intensive Dutch industrial structure, for long a benefit to the economy, could now be a handicap and a source of vulnerability, with the radically changed energy picture, Mr Rutten said.

Economic policy should be aimed at further renovation of the industrial structure, stimulation of investments and innovation and export promotion, as well as cost moderation, to strengthen international competitiveness, he said.

There should also be action against distortions in the labour market and reconsideration of some aspects of the social security and tax system in the light of problems with evasion or misuse.

Mr Rutten said the population density in the Netherlands restricted the potential use of alternative energy sources to oil and gas, with coal for example, bringing great environmental problems.

The use of nuclear energy, over which opinions differ, was to be intensively discussed, but in any case alternative energy supplies in the Netherlands were very limited at present, making significant energy saving measures unavoidable, he added.

CSO: 3120

## NORDLI MUST DEMONSTRATE MORE LEADERSHIP IN ECONOMIC AFFAIRS

Oslo AFTENPOSTEN in Norwegian 18 Aug 79 p 3

[Commentary by Egil Sundar]

[Text] If the government is to succeed in its efforts to put the Norwegian economy in order, rebuild industry's competitive strength, and secure jobs, Prime Minister Odvar Nordli must lead a campaign of firmness that he himself apparently sees as necessary. The results depend on the prime minister's getting all the large organizations and interest groups behind him. And most of all, he must not let himself be pressured and outmaneuvered by LO (Norwegian Federation of Trade Unions) in a situation in which the national interest demands that the prime minister take charge and exercise the leadership people expect of him.

The repeal of the price and wage freeze beginning 1 January 1980 and the subsequent wage settlement presuppose restraint and the desire for moderation on all sides. But it is of at least equal importance that the government, both through the national budget and the general economic policy, lay down guidelines for a strategy to put Norwegian industry on the offensive on the threshold of the 1980's.

The problems we are facing in the Norwegian economy are fundamental in character and can only be solved by common effort. We have come to the point where the problems can no longer be swept under the rug. The main question is quite simply whether, hereafter, we will be able to secure full employment and create a basis for further development of the welfare state.

Carrying out the necessary policies makes great demands of all groups--of politicians who, to a greater extent than before, must be willing to take so-called unpopular stands and of the large interest groups and their members who must demonstrate the will to cooperate in solving the problems. Should we fail in what ought to be our common task, we really have no excuse. We--both authorities and organizations--are smart enough to see that the difficulties can be overcome only with realistic policies and cooperation between all groups of society.

The government, on its part, has made clear that a sharp new rise in prices and costs after the price and wage freeze would be completely unacceptable. Thus, making a transition from the price and wage freeze that will insure that the low increases in prices and costs attained in 1979 can continue in 1980 and the following years as well, will be a central task. In principle, both LO and the Norwegian Employers' Association support this objective.

The bright spots that can be noted with respect to Norwegian industry's competitive power can easily lead to false optimism. A sober evaluation of the situation demands that we examine the facts. Even though industry's competitiveness has improved somewhat in both 1978 and 1979, it must be remembered that the ground we must make up with respect to our major competitor countries is still very substantial.

Official estimates indicate, among other things, the following: from 1977 to 1978, labor costs per produced unit in Norwegian industry improved 4 to 5 percent as compared to that of our most important trade partners. In 1979, a corresponding improvement of around 5 percent is expected. But it should be noted that, in spite of this, labor costs in Norwegian industry during 1979 will continue to be almost 20 percent higher with respect to our competitors than in 1970. This means, in other words, that our competitive position continues to be very weak and that further increases are needed.

The wage and price freeze has yielded positive results, but when this extraordinary measure ceases with the new year, we will nonetheless have to ascertain that a record high level of expenses represents the main problem for the Norwegian economy and competitiveness. In addition, we are presently setting a world's record in foreign debt per inhabitant. It is easy to see that we cannot, year after year, allow ourselves to expand public and private consumption as long as we fail to cover this with what we produce ourselves.

What we lack, we borrow abroad. It was that simple—we thought. But a society can no more borrow its way to prosperity without paying than an individual family can. We cannot live forever on advances. Sooner or later, the bill must be paid.

For a society, this means more must be produced, more exported. In Norway, however, the situation is such that industrial production for the first half year is almost 5 percent lower than five years ago. This year, Norwegian industry will produce goods worth 10 billion kroner less than what would correspond to normal growth.

The government assumes that agreement can be reached with the organizations concerning a format that will lead to moderate, nominal increases in 1980. In this respect, Prime Minister Odvar Nordli has made several praiseworthy attempts to inform the Norwegian people of the true situation and in a speech at Tynset in late July he stated clearly: all groups of society must understand clearly that wage increases that cannot be accounted for by our economy are unrealistic in the situation in which we now find ourselves.

We have gradually received many indications that there is a broad understanding out among the people for this type of idea. It is also confirmed by today's public opinion poll, which shows that a clear majority exists in all classes of the populace for a continuation of the price and wage freeze.

There are many indications that the public's understanding of the economic realities is considerably greater than what spokesmen for LO and other interest groups want to admit. Evidently, most people understand that both restraints and self-denial can be necessary and that it is in their own interest to show moderation and restraint until the country emerges again from its acute economic difficulties. This was also the situation when the government's emergency measures were put into effect. At that time Prime Minister Nordli, backed by opinion polls, relied on a broad public opinion that was willing to accept even stronger measures than those the government proposed. And to secure jobs during a time of crisis, it was also without doubt a widespread opinion among ordinary wage earners that in 1978's wage agreement, they should cut their coat according to their cloth.

But where was the prime minister--and what was he thinking--when all was said and done? In the decisive phase before the final position was to be taken and the decisions made, he allowed LO and the Labor Party to decide. His words of exhortation to the Norwegian people in his New Year's speech and other speeches on what the situation demands of us all disappeared into thin air. The leadership and active influence that should be expected from the head of the government were missing when it really counted. And when the prime minister again appeared on the scene, it was primarily to criticize nonsocialist newspapers and politicians for "painting a pessimistic picture of the situation." Just think. It was this behavior on the part of the prime minister that many interpreted as an expression of a lack of control and leadership.

Perhaps Prime Minister Nordli's Tynset speech indicates that he intends to take command after all. Actually, he has no choice. For if he fails in his efforts to put the Norwegian economy on its feet again, it will hit him and his party with full force when the moment of truth comes.

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## AUTHORITIES TO CONSIDER PARALLEL DRILLING FOR OIL NORTH OF 60°

Oslo AFTENPOSTEN in Norwegian 16 Aug 79 p 27

[Text] "The authorities have agreed that there should be an investigation of the technical and economic aspects of making simultaneous parallel drillings during oil explorations north of the 62d parallel," manager Odd Paulsen of Norsk Olje- og Gassmedarbeiderforbund (NOGMF) announced yesterday at a press conference in Oslo.

Paulsen hopes that such an investigation can lead to the simultaneous drilling of two wells during the exploratory phase so that valuable time can be saved and unnecessary oil spills prevented in case of a strike off the northern coast of Norway when exploration begins next year.

Agreement was also reached at a meeting of the Department of Communes and Labor that a study would be made of a proposal to install a cooling system for use on drilling rigs in case a strike should occur. Since 1 January, it has been the Department of Communes and Labor that has been responsible for the coordination of the working environment and safety on the continental shelf.

According to the proposal NOGMF has presented to the department the cooling system will work in such a way that water is mixed with the oil as it is blown uncontrolled up the hole during a strike. At the same time, the idea is that most of the oil will be collected by a drainage system under the platform itself. The oil that is collected in this way can be removed from the platform through a system of pipes.

"Between six and eight weeks can be saved since two wells are drilled simultaneously during the exploration stage in northern Norway. If a strike occurs and it is necessary to use a relief well, as in the Gulf of Mexico, we will save a lot of money and prevent an ecological disaster," says Paulsen.

The department has also announced that new safety regulations will be developed for the valve equipment that is to be used. This means that it

will eventually be required that a valve system be built that can shut automatically after a platform has been evacuated. The valve should be able to be closed, for example, from a ship or helicopter in the vicinity.

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CSO: 3108

## WEAKENING OF RELATIVE DEFENSE CAPABILITIES SEEN

Oslo AFTENPOSTEN in Norwegian 3 Aug 79 p 2

[Commentary by Thor Knudsen, Member of Parliament]

[Text] The will to defend the country seems to be alive and well among the Norwegian people. Repeated public opinion polls show time and time again that this will is not so easy to break. But what about our defense capabilities? There can hardly be any doubt that in recent years it has been subjected to strong pressure. I have in mind several measures on the part of the Labor Party government--measures that, taken separately and together, have a negative effect on defense. It is sufficient to name the proposal to abolish the death penalty during times of war, the introduction of politics into defense, the favoring of civilian workers by way of the hurried establishment of a school for conscientious objectors, the undermining of the conditions of defense's economic framework, and the mixing of political and professional military leadership in committees investigating defense.

It is almost incomprehensible that Defense Minister Rolf Hansen could go along with a proposal to abolish the death penalty during time of war, contrary to strong, unanimous advice from professional military men and in direct conflict with statements from a great number of sources outside defense as well. No one can doubt that removing access to the harshest penalty against traitors and war criminals will weaken the country's defense capabilities. Reaching far into the ranks of the Labor Party is the painful awareness of the serious consequences of Minister of Justice Inger Louise Valle's and the Labor Party government's misguided grandeur in international assemblies.

Many people perceive measures of this type, especially on the background of this peculiar behavior, as a great strain on the broad political unity concerning the post-war defense policy.

Another Labor Party initiative that without doubt has a negative effect on defense is the introduction of political activity in military life. We have yet another example of how the defense minister, contrary to strong, massive

warnings from his own defense chief and from all officers' organizations—including the one associated with LO—is buckling under political pressure, especially from AUF (Young Laborites). Here we have a political youth organization that has never made a single proposal to strengthen defense. On the contrary, AUF has systematically tried to dissociate Norway from NATO, while several AUF members have flatly refused to vote for any funds for defense in parliament.

Otherwise, of course, a great deal of interest has been given parliament's treatment of the government's newly introduced proposal of a new long-range defense plan. The government has announced that it wants to reduce the economic framework that a practically unanimous defense commission had drawn up. But it is still committed to fulfilling the economic conditions the NATO countries have jointly agreed on. But the main question will still be whether we are willing to live up to this economic framework or if it is to be undermined by price and wage rises. Unfortunately, just this type of undermining has taken place in recent years. It is a question of hundreds of millions of kroner in lost compensation, which may also mean a weakening of our relative defense capabilities. A fundamental task must be to find a way to prevent the effects of inflation from eroding defense allocations. At present, there are few indications that the government has taken up this matter with the necessary seriousness.

The government's and Labor Party's haste in building a school for conscientious objectors is another example of the favored status of this special group, which indirectly has a negative effect on the military defense. Without awaiting a recommendation from the Conscription Committee, the Labor Party—with support from the Liberal Party and the SV (Socialist Party of the Left)—swept aside all objections, wanting to use state funds for an objective that in part must be perceived as an insult to the service of the draftees.

In recent time we have seen examples of a practice in choosing study committees that has dangerous aspects, both in principle and in practice. I am referring to the series of committees in which the undersecretary in the Defense Department has established himself as a more or less self-appointed chairman. These may be committees of far-reaching significance, but the under secretary's dominating position is suited first of all to determining the department's point of view in advance and, secondly, it means a mixture of political evaluations and professional military advice, which is unhealthy in both the short and the long run.

The defense minister has been reminded on many occasions of these extremely unfortunate conditions, but for the time being he has not been induced to change this doubtful practice which, for now, seems to be in full swing within our defense.

## HOLST REPLIES TO KNUDSEN'S CHARGES

Oslo AFTENPOSTEN in Norwegian 14 Aug 79 p 2

[Commentary by Johan Jorgen Holst]

[Text] When the position of AUF (Young Laborites) is brought in, it can only be understood to mean that they wish to spread doubt concerning the Labor Party's alliance policy. But there is no basis in fact for such doubt, Under Secretary Johan Jorgen Holst at the Defense Department points out in this reply to Member of Parliament Thor Knudsen's article on the Labor Party and defense. The alliance policy has been followed at least as closely by the Labor Party as by the nonsocialist governments, Holst writes.

Member of Parliament Thor Knudsen has fired a number of unguided missiles at the Labor Party in AFTENPOSTEN of 3 August. The heat of the election campaign seems to have impaired his marksmanship. It was a complete miss.

Knudsen points to individual, concrete matters where he believes the Labor Party has contributed to the weakening of our defense capabilities. His argumentation is weak and is more an indication of an intense search for points of attack than responsible concern for Norway's security.

The decision to abolish the death penalty during time of war was not intended to strengthen our defense capabilities. It was a question of bringing Norwegian law into accord with the ethical attitudes toward the inviolability of human life that is predominant in Norwegian society. In international relations we are constantly reminded of the need to defend these values, since they are violated daily. I know, of course, that professional military authorities were against abolition of the death penalty. However, this is not basically a professional military question, but an ethical question. The government must decide on the basis of its fundamental political view. That which appears as a deterrent or restraint to the individual's considerations and actions in a wartime situation is not a military question either and should give rise to a certain amount of humility. No weakening of military capabilities has been demonstrated. But Thor Knudsen is quite sure.



Next, in his usual manner, Knudsen takes a shot at the plan for giving draftees the opportunity of carrying on political activity. He believes the government has buckled under to political pressure from AUF. Well, Knudsen has demonstrated many times that he knows remarkably little about the decision-making process within the labor movement. The government was not pressured by AUF or anyone else. It followed the platform on which it was elected. The political leadership in the Defense Department was and is convinced that there was a need for this opportunity among draftees. It is just as convinced that the framework adopted can be carried out without harm to the defense. It is this that my professional military men have agreed on. It is also convinced that defense stands to gain by the creation of equal conditions. No military authorities have been able to stop the unlawful political activity within the defense on the part of forces that are not so serious about rules and guidelines—not even during the long periods when we had non-socialist governments. But Knudsen has no solutions. He is just against the Labor Party's plan, a plan that has received the support of the majority in parliament. Throughout the affair, the political leadership has emphasized close cooperation with the concerned parties, including the officers' organizations.

Nor were the questions raised by this affair questions for the professional military. These were questions that primarily affect the work of political organizations and the safeguarding of democracy. Here I believe the political leadership in the Defense Department is as well equipped to handle matters as is Thor Knudsen. There is no question but that defense as an institution shall be apolitical. The accepted plan does not change that fundamental principle in the least. Thor Knudsen has not been able to prove otherwise.

The position of AUF toward NATO has absolutely nothing to do with this matter. That Knudsen is bringing it in can only be understood to mean that he wants to spread doubt concerning the Labor Party's alliance policy. Here he has no factual evidence whatever. The alliance policy that has been the political line since 1949 was drawn up by a Labor Party government and later Labor Party governments have also followed this line at least as clearly as the nonsocialist governments. Thor Knudsen is making a muddle of his reasoning. It is being weakened by this. He referred to the chapter on security policy in parliamentary report 94 (1978-79).

Regarding the economic framework for defense, the Labor Party's record stands up well in comparison to what the nonsocialists can put forward, and it is a good thing. The discussion of the economic framework for the next long-term period must take into account the general economic situation. The government is advocating fulfilling the objectives accepted by NATO for a 3 percent real growth. Not all NATO countries have managed that. The proposed plan expresses a strong priority of defense. Since Thor Knudsen wants to increase the framework, then let him point out what other public activities should yield further in favor of defense when the national budget is proposed.

So far we have only words from the Conservative Party. The proposals have been lacking.

On the question of compensation, the Defense Department and the Finance Department have labored a great deal over these complicated problems. The problematics and the guidelines which are now being followed are accounted for in parliamentary report 94 for 1978-79. Thor Knudsen should read the documents submitted before he makes careless allegations that there are few indications that the government has taken up the matter with sufficient seriousness. Let us hear how Thor Knudsen wants to handle the problem within the existing rules for budget work in Norway, or how he would possibly change the rules. There is so little to be learned from his abstract teachings on seriousness and responsibility.

Finally, as under secretary, I was paid a visit by Thor Knudsen (former under-secretary in the Defense Department). Supposedly, I am setting myself up as a "more or less self-appointed chairman" when study committees are named in defense. Here, I do not know what Knudsen is reading into the words "setting himself up." He thinks it is unfortunate that "political evaluations and professional military advice" are being mixed.

It is not easy to grasp exactly why Thor Knudsen is worked up about this. I have led committees that have evaluated the defense's information service, the application of labor-environment laws within defense, the localization of coastguard squadrons in northern Norway, and I am presently heading a committee that will evaluate how personnel use in defense can be made more effective and be reduced, and another one that will take up the Defense Department's work with questions of security policy. These are without exception areas where both political evaluations and professional military viewpoints must be woven together. The study committee's makeup reflects this realization. The political leadership in the Defense Department has made a point of making itself well acquainted with the diverse activity of which the Defense Department is in charge. Such insight is gained only through active work with these matters. Such insight is a necessary prerequisite for securing political control. For the Labor Party, this is a necessary condition for responsible government.

In addition to this, I have also been responsible for work in securing a reliable and justifiable plan for bringing reinforcements to Norway during an emergency situation. Here, too, we have made a point of combining political evaluations and professional military advice. This is how our allies work. The Labor Party has probably done more in this area than previous governments, including the one Thor Knudsen was associated with as under secretary in the Defense Department.

The under secretary in the Defense Department does not set himself up as self-appointed anything. He follows the orders and carries out the tasks given him by the cabinet minister. The entire time, he cooperates closely with his cabinet minister. The present political leadership in the Defense

Department has a very close and comprehensive cooperation with the military leadership in defense. We have placed a special emphasis on coming in direct contact with those who run our defense on a daily basis. The conflicts Thor Knudsen puts between political evaluations and professional military advice are fabricated and artificial. It is true that there has been broad unity across political lines concerning defense and security policy in Norway. The Labor Party puts great emphasis on safeguarding this type of fundamental idea. For a country in Norway's position with respect to security policy, this is a political and strategic necessity. This manner of casting suspicion, for which Thor Knudsen is establishing himself as spokesman, is not in accord with this realization.

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CSO: 3108

## EMPHASIZING SOVIET THREAT, MAOIST URGES NEW DEFENSE DEBATE

Oslo AFTENPOSTEN in Norwegian 16 Aug 79 p 2

[Article by Paul Steigan: "New Defense Debate Emerging"]

[Text] This spring yours truly started a debate on the issue of Norwegian defense policy in AFTENPOSTEN. I am pleased to report that many debators, both politicians and officers, have accepted the challenge and expressed their opinion on the questions I raised. To be sure, some have said I have neither knowledge nor judgment, but most have admitted it is high time we discuss various aspects of Norwegian defense policy.

These are the principal contentions I made in the previous article:

1. In the event of a Soviet attack, it would be realistically impossible to transfer Norwegian forces from the south to the north. They should be transferred prior to an attack and in ample time.
2. NATO reinforcements would be cut off and prevented from reaching Norway.
3. For political and military reasons, a Soviet attack on Southern Norway would be most likely.

These principal contentions have not been shaken, in spite of the fact that my first article was found to have a couple of minor factual errors. In the 7 August issue of AFTENPOSTEN, Anton Olstad presented further arguments, which support my contention that Southern Norway would be the primary target of a Soviet attack.

With respect to the transfer problem, AFTENPOSTEN carried a series of articles in 1977 by Major M. H. Nass, who specifically addressed himself to that problem. After carefully reviewing the military conditions, Major Nass concluded with the following: "The warning will be so short that transfers cannot be made under peaceful conditions. Chances are great that

a transfer of the two royal regiments would fail, considerably reducing our fighting capability." (AFTENPOSTEN 11 Nov 77) Major Nass came to this conclusion without considering the possibility that mobilization centers in Southern Norway might be captured to begin with. It is also worth noting that the major's conclusion is based on a shorter transfer period than the one I used in my calculations. The same series of articles also provides an in-depth study of the problems of communication, showing in a thorough and detailed manner how vulnerable the transportation routes would be. This is also a matter which I pointed out in my article and it was precisely this kind of problem which led me to conclude that the entire transfer operation would be an illusion in a wartime situation. Later contributions to the debate have not repudiated that.

With respect to the second main contention, I just want to mention that it is entirely possible for the Soviet Union to pre-position sizeable marine forces outside the coast of Norway in what would appear to be part of a maneuver. Thus, a forced entrance into the Danish straits would be less problematic than what some seem to think.

Several military career men have pointed out that it would be entirely possible for the Soviet Union to launch an attack on the population centers in Southern Norway in the first phase of a major attack. Even Peter Whiteley has pointed out how this could be done. From a political point of view, there can be no doubt that the Soviet Union would want to seize our administration as intact as possible. A lightning attack on Southern Norway and Oslo would place the attacker in a far better position offensively than would an isolated attack on Northern Norway. But we have no defense plan today designed to meet this threat, which, as time goes by, promises to be the most likely one. If we do not wish to experience another 9 April, it is high time to get rid of the illusions in the defense debate and raise questions about our cities' air defense, the need for a civil defense deserving its name and waging mobile warfare instead of the static defense of airfields, training our forces to combat a massive armored attack etc. In a short period of time we have seen how the Soviet Union is willing and able to direct and carry out the terrorist bombing in Eritrea, the coup d'etat in Afghanistan and the occupation of Kampuchia. We cannot be so naive as to imagine "that could not happen here." Hence, we need a new defense debate.

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CSO: 3108



## NEO-NAZIS PLACE ADHERENTS ON NDP LISTS IN OSLO

Oslo ARBEIDERBLADET in Norwegian 11 Aug 79 p 3

[Article by Jan Egil Nyland]

[Text] Neo-Nazis have been successful in their strategy in that they have managed to run for election in the municipality of Oslo by placing their adherents on Norway's Democratic Party's (NDP's) election list.

This list includes prominent names from the "National People's Party" (formerly the "Norwegian Front") and at the top of the list stands Ole Darbu, who is an old front fighter and a Nazi proponent. He was chairman of the Singles Party and warmly supported the Nazis attempted coup of Norway's Democratic Party. Geir Ernst, who was also involved in the coup, is on the list too. He is also a leader of the "National Youth" and was formerly a leader of the Action Group within the "Norwegian Front," of which bomb-advocate Petter Chr. Kyvig was a prominent member.

## Nazi List Under False Name

The Neo-Nazis' strategy has always been to run in an election "in order to win people for national socialism." They first tried to upset the Singles Party, but were not successful. After the 1 May bomb incident, Neo-Nazis realized they would not be able to run under the party's name this year. Hence, the name was changed to "National People's Party." They have not been able to get enough signatures to establish their own election list, but have managed to upset the NDP list. I did mention Darbu and Ernst, but there are others.

Number 2 on the list is Hans Otto Meyer, son of Meyer who was arrested for selling denatured alcohol and for illegal possession of weapons. He is a well-known Conservative extremist and a good friend of Kyvig.

Number 3 is Bitten Catherine Lund, married to Tor Petter Hadland and co-editor with Blucher of "Nasjonalsiten."

Number 4 on the list is Leif H. Tesdal, also a designer of the coup and a member of NDP for some time.

Number 7. Henrik Bastian Heide, "National People's Party" county leader in Oslo.

Number 16. Nils A. Nilsen, an SS member during the war, involved in the national leadership of the "Norwegian Front" and connected with the attempted coup of the "Singles Party."

#### Only Blucher Missing

In order to make the list complete, there is actually only one name missing, that of Chairman Erik Blucher. But his party, the "National People's Party," has been thrust into the election campaign by his closest fellow workers. NDP Chairman Lars Fagerland said he does not accept the list nor does he like Blucher's ideas. It is not yet clear whether the list will be rejected, but that should be decided when the election committee meets in Oslo 15 August.

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CSO: 3108

## CENTER PARTY KICKS OFF ELECTION CAMPAIGN

Oslo AFTENPOSTEN in Norwegian 21 Aug 79 p 3

[Article by Liv Hegna: "The Young Must Get Special Housing Aid"]

[Text] Farmers should be allowed to own their farms. Dwelling and operating rights must remain in force, also for close relatives. Private banks must be given permission to extend more housing loans at a reasonable rate of interest and we must provide special housing aid for young, low-income families.

These were the items which Center Party Chairman Johan J. Jakobsen pointed out as he kicked off the party's election campaign today in Elverum. The Center Party chairman also advocated that housing construction be spread out more.

"We must raise the limit on Husbank loans, which would mean a smaller down payment for prospective home owners," said Johan J. Jakobsen, pointing out that the required down payment is now about 34 percent, but that it should be reduced to 25 percent. Jakobsen also said that the party's housing program suggests that private banks be given a greater share of the housing-loan market.

"Provided that private banks can offer long-term loans at acceptable interest rates," said Jakobsen and pointed out that the Center Party supports the establishment of a special government loan guarantee system, which would include homes of average quality and size.

"Private banks must be more involved in home mortgage financing," said Jakobsen and emphasized that the Center Party wants to establish a special loan arrangement to help young, low-income families get housing. Jakobsen also said that dwellers must be given the opportunity to dissolve individual housing cooperatives and arrange for private ownership when two thirds of the owners agree to it and that the law concerning shareholders' forced option to buy must be rescinded. He felt that this would be a central issue in this year's election campaign, but emphasized it was not new to the party's program.

Jakobsen pointed to Tynset as a good example of how to avoid centralized housing construction because here the population has grown in the districts.

"Look to Tynset," Jakobsen urged.

Aside from that, there was nothing in the party's opening campaign speech to indicate that we are dealing with a local election. The Center Party's position on the concession law and the party's housing program dominated the entire press conference, which was held in Elverum today.

"The Center Party is not willing to change the concession law," said Jakobsen, referring to municipalities in which about one third of the land is owned by people living outside the municipality.

"Norwegian farmers must again be allowed to own their farms. Those who work the land and the forests must be assured the right of ownership," Jakobsen pointed out. Asked how he views the Conservative Party's effort to build a substantial share of its election campaign on the concession law, Jakobsen said he had nothing against that, but that the Center Party "would not be silent on that issue either." However, from the point of view of cooperation, he felt that the disagreement about the concession law would not present insuperable problems "should the issue of cooperation come up in the future."

In spite of a Conservative drift in various municipalities, the Center Party chairman felt the party should be able to hold its own as far as maintaining its 2,300 representatives on various municipal councils throughout the country. "Only the Labor Party has more representatives," asserted Jakobsen, who also called attention to the fact that the Center Party has 28 more municipal election lists this time than in the last election and, consequently, is now up to 400 complete lists.

The Center Party assistant chairman Anna Kristine Jahr's comment earlier this summer about strengthening the Center by means of a non-socialist cooperation created a stir at that time. She told AFTENPOSTEN today she was surprised about the headlines that gave rise to, but also referred to a later comment saying she firmly supports the party's statement concerning cooperation. Party Chairman Johan J. Jakobsen told AFTENPOSTEN the same holds true for the entire party leadership.

Monday evening the Center Party held 12 different meetings in the district of Hedmark. In Trysil, Central Committee member Aud Lunde Hagen said that the Center Party does not share the Lied committee's view concerning job mobility. The Lied committee was also criticized in a campaign speech at Tolga. Here Reidar Due, Center Party representative on the Industrial Committee in Parliament, spoke of strengthening small and medium-sized businesses as a means of district politics. "Reducing the employer tax and raising the limit on Landbruksbank loans are other and similar means that must be put to use," said Due.

## CONSERVATIVES CAMPAIGN AS MAIN BASTION AGAINST SOCIALISM IN NORWAY

Oslo AFTENPOSTEN in Norwegian 21 Aug 79 p 3

[Text] The Conservative Party is fortifying its undisputed position as the main bastion against socialism in Norway:

The party declares the Labor Party as its principal opponent in municipalities and counties as well as on the national level. And, in a statement from the Conservative Party's Central Committee, the party is committed to fight all new socialistic efforts. At a press conference in Oslo yesterday, a party spokesman stressed that the Conservatives are prepared to discuss a possible joint non-socialist position on the concession law with the Christian People's Party and the Center Party.

In a statement concerning the new rules of admission to more advanced schools, the Central Committee regrets the Government's willingness to minimize the importance of grades with respect to admission to these schools.

"Respect for professional quality and justice for the individual student demand that grades and demonstrable qualifications continue to be the criteria for admission," the statement reads. "Rules of admission based only on drawing lots or 'waiting your turn' seem capricious and will have ill effects socially. By attaching singular or primary importance to age, respect for student qualifications will be weakened. The Conservative Party will oppose the proposed new rules of admission, which, in practice, nullify the importance of grades and exams in the schools."

Conservative Party Chairman Erling Norvik warned against believing that the Government's promise to keep grades as part of the admission criteria assures us they have given up the idea of removing grades from junior highschools. The matter is "on ice," while the new rules shrewdly undermine the position of grades. The Central Committee has this to say about the political situation in general:

We will rescind those items in the concession law that conflict with the right of succession, property rights and alodial rights and will rescind laws that subvert the obligation to pay full compensation to those who must cede property to the government."



To that, Conservative parliamentary leader Kare Willoch added that Conservatives favor the idea of meetings between the non-socialist parties to discuss a possible joint non-socialist position on the concession law. These discussions would not be limited to the period of the election campaign, according to Willoch, and he seriously doubted it would be possible to reach agreement in that short a time. The Conservative Party would primarily try to fashion a law that would guarantee those items mentioned in the statement, but would of course be willing to compromise on some points--if progress could be made relative to the present version of the law. "A non-socialist agreement," he said, "might also force the Labor Party to take another look at some of the disputed items in the law. A non-socialist agreement would also provide a good basis for needed changes in the law following a possible victory in the 1981 parliamentary election."

The Central Committee statement further reads:

"Should the country's economic growth be restored again, we would need less severe taxation of income and savings. There must also be less restriction and fewer encroachments on creative activity as well as on individual freedom of action. We will strengthen the respect for right of ownership and promote a sense of responsibility and justice."

The committee emphasizes that the Conservative Party's election campaign will be characterized by temperance, which has become necessary, and by positive efforts, which are needed to bring our country out of the economic difficulties it has been led into. The Conservative Party will work for effective and responsible leadership in Norwegian municipalities and counties and for stringent use of taxpayers' money. The movement toward a socialistic and thoroughly bureaucratic society is harmful to the economy, according to the statement, and undermines the kind of society we want to preserve. The Conservative Party will fight all new socialistic efforts.

\* "We are opposed to politically elected committee members in private enterprise and reject all thoughts of reducing owner representation on company boards of directors.

\* We are opposed to the nationalization of pharmacies and against the government's involvement in industrial management as well as the new governmental employer union.

\* We will reimpose the dwellers' right to decide for themselves whether they want to own their dwellings. We will also revise other laws to make it easier for more people to own property.

\* Through effective leadership, stringent use of public lands, improved conditions to stimulate voluntary effort and savings, greater respect for the right of ownership and a sense of responsibility and justice, we will establish the basis for new progress for the individual and for business, both in municipalities and counties," according to the Central Committee of the Conservative Party.

Norvik said that fishermen are receiving capricious treatment at the hands of Norwegian authorities. "As an example, they impose restrictions which unilaterally affect Norwegian fisheries. Only international quotas can offer hope of improving ocean resources," the Conservative Party chairman said at the press conference. And he thought it might be necessary to extend aid to fishermen until the resource situation could be straightened out. "We need a positive and future-oriented policy to do that," he said.

Finally, the parliamentary leader suggested that we might be able to channel some of the requests for mortgage loans to other sources than the Husbank in this economically difficult period. Thus, Husbanken's resources could be reserved for those who need them most.

In his central committee-meeting speech, Norvik responded to the Labor Party's criticism of housing construction in conservatively governed municipalities. Using statistics, he showed that non-socialist municipal governments had been responsible for building more dwellings per 100 residents than had municipal Labor Party governments in the 1976-78 period. He specifically referred to three large municipal Labor Party governments in Ostfold, Moss, Fredrikstad and Halden, where they constructed far fewer dwellings per 100 residents than the average in the last 3 years.

8952

CSO: 3108

## FOREIGN MINISTRY OFFICIAL ON RESULTS OF NAM SUMMIT

## Compromise Achieved

Lisbon DIARIO DE NOTICIAS in Portuguese 13 Sep 79 p 4 LD

[Interview with Paulo Enes, Portuguese Secretary of State for Foreign Affairs, by Jorge Feio: "Havana Summit Resulted in Compromise"--date and place not specified]

[Text] DIARIO DE NOTICIAS: Observers' opinions differ with respect to who "won the game" at the Havana nonaligned conference. Some people believe that with the reiteration of a policy line independent of the blocs and of the big powers, the moderates' viewpoint prevailed; others believe that the radical states, headed by Cuba, succeeded in imposing their principal viewpoints. In the United States some news media--in particular, the WASHINGTON STAR--reacted immediately to the wording of the conference's final declaration by expressing their dissatisfaction, because they believe that the text of that declaration is disadvantageous for the United States. Whereas the Soviet press, in light of the condemnation of imperialism and colonialism reiterated by the conference, has not disguised its satisfaction at the summit's results. However, there are those who believe that neither side is right, interpreting the final declaration's wording as a solution representing a compromise between the moderates' viewpoints and those of the radicals, aimed essentially at saving the movement from deep splits among its members. In view of your personal presence in Havana, where you followed the course of the debates step by step, what is your opinion on the matter?

Paulo Enes: The problem must not be placed on the level of a sporting contest in which there is a victory for one competitor or the other or a tie between the two. The final declaration in fact reflected an arduously achieved compromise, not departing substantially from the principles which have guided the activity of the nonaligned countries' movement since 1961. However, Cuba, as the inspired spokesman of the most radical current, did not fail to score points: The sixth summit took place in fact in its capital, it was attended by the record number of 55 heads of state and its actual organization was a success. And Cuba, taking up the chairmanship of

the movement for the next 3 years, will not fail to attempt to make its revolutionary internationalist ardor prevail.

DIARIO DE NOTICIAS: At any rate, does the radicalization of stances which occurred during the debates--particularly the confrontation between President Tito's viewpoints and those of Fidel Castro--make it reasonable to envisage the possibility of future grave splits in the movement?

Paulo Enes: I do not believe so. The movement is characterized by the heterogenousness of its members, which have already become accustomed to accepting some fundamental differences of orientation among themselves. Any split would inevitably lead to imbalance of forces between the two political and military blocs, and this should not appeal to most of the nonaligned countries. Although they say that they feel united by common acceptance of anti-imperialism, anticolonialism, antineocolonialism, anti-racism, antiapartheid and so forth, the common denominator of economic underdevelopment and the legitimate demands for a more balanced worldwide distribution of wealth seems more fundamental.

DIARIO DE NOTICIAS: On the other hand, could the conference's advice to the superpowers not to use human rights as a weapon for their ideological struggles be interpreted as a direct criticism of the human rights policy, such as it has been pursued by President Carter, and thus as support for stances which the Soviet Union has adopted on the matter?

Paulo Enes: The view which most of the countries belonging to the movement hold of human rights is undoubtedly different from the western democracies' view: It particularly affects the assertion of what they believe to be their economic, social and cultural rights vis-a-vis the more developed countries. That is why their unconditional support for the U.S. administration's so-called human rights policy is inconceivable. However, it did not seem to me, from what I heard during the entire general debate, that this point was particularly emphasized or that it was used in particular to attack the United States.

DIARIO DE NOTICIAS: Tanzanian President Julius Nyerere, although cited as one of the most radical African leaders, nevertheless followed the example of President Tito and the moderate countries in opposing a policy of alignment with any of the blocs. Is this the general stance of the Sub-Saharan African countries? And what stances did the Portuguese-speaking African nations adopt on this issue during the conference?

Paulo Enes: Not only the Tanzanian president but also Sekou Toure, who were regarded as the most advanced statesmen on the African continent during the sixties, delivered speeches which were characterized by their moderation and balance. Moreover, I believe that moderation was a characteristic of the speeches by a large number of Sub-Saharan African countries. They are also largely responsible for the search for a compromise to avert clashes among the nonaligned countries. Of course, Mozambique enthusiastically supported greater revolutionary and pro-Soviet commitment, Angola and Guinea Bissau

did not speak in the plenum. Although Sao Tome enthusiastically congratulated Fidel Castro on his opening speech, it declared itself in favor of the movement's unity and of an effort which would make it possible to surmount its internal contradictions. Last, Cape Verde, without denying what the African Independence Party of Guinea and Cape Verde owes to the peoples which supported it in its struggle for decolonization, particularly emphasized what it regards as--and rightly, in my opinion--the nonaligned countries' future struggle--the combating of underdevelopment.

#### Contacts at Meeting

Lisbon DIARIO DE NOTICIAS in Portuguese 10 Sep 79 p 3 LD

[Unattributed report: "Portugal Is Seeking To Dispel Misunderstandings With Mozambique"]

[Text] "I held two meetings in Havana with Mozambique Foreign Minister Joaquim Chissano, aimed at dispelling certain misunderstandings which have recently occurred between us. I am convinced that these contacts may prove successful, perhaps on the occasion of the UN General Assembly meeting," Secretary of State for Foreign Affairs Paulo Enes, who headed the Portuguese delegation invited to attend the nonaligned world summit in Havana which returned to Lisbon yesterday, has stated.

Paulo Enes was unable to comment on the text of the summit's final declaration because he had no knowledge of it, since the documents of the two committees--the political and economic committees--were still being presented to the plenum as the Portuguese delegation was leaving for the airport.

In this connection the Portuguese delegation knew that the intention existed on the part of some countries to include a statement on Timor, and this--Dr Paulo Enes explained--caused Indonesia some concern. The initial idea was not to debate the problem of Timor. It seems--the secretary of state continued--that Indonesia had received assurances from Cuba that the Timor problem would not be broached in the first version of the draft final declaration.

Referring to the meeting's importance, Paulo Enes stated that 95 countries were represented and 55 heads of state were present, there being no memory of an international conference attended by such a large number of statesmen.

With respect to Portugal's presence in Havana, Enes explained that, like the other guest countries, our country took part discreetly.

"We heard the speeches in the plenum and learned indirectly what was happening on the committees through contacts with colleagues playing some role on them, and the opportunity was taken to establish bilateral contacts, just as at the United Nations."

With respect to his contacts, Paulo Enes recalled those which he held with the statistics committee chairman, a former member of the government of the



Cuban Communist Party Central Committee [as published], and with Lieutenant Colonel Peralta ("who spent a few years among us, under circumstances not very pleasant for him").

Paulo Enes also specified that he held meetings with the delegations of all the Portuguese-speaking countries, but "since we have normal channels of communication, there was really no specific matter to be discussed."

CSO: 3101

## CDS CHAIRMAN HITS ADMINISTRATION'S UNCONSTITUTIONAL CONDUCT

Lisbon O PAIS in Portuguese 24 Aug 79 pp 16-19 LD

[Interview with Diogo Freitas do Amaral, Social Democratic Center Party (CDS) Chairman, by Jose Vacondeus: "There Are Many Candidates Who Could Defeat General Eanes"--date not specified]

[Text] O PAIS: The problem of the Pintasilgo government, which did not see the motion of rejection submitted by the Social Democratic Party (PSD) and the CDS approved by an absolute majority in the Assembly, remains on the agenda. Under these circumstances, the first question to be asked concerned the prime minister's speech, which provoked a noisy reaction on the part of the deputies on the Social Democrats' and Centrists' benches: How do you interpret this aggressiveness in content and intention on the part of those who apparently could only benefit from the attempt at a policy of charm, sympathy and easing of a tension which has been gradually increasing?

Freitas do Amaral: I believe that this means at least two things: In the first place, the prime minister has no political experience, no government experience and no parliamentary experience, and was hurt or offended by a set of political criticisms which were leveled against her conduct, program and intentions, seeing in those criticisms of a political nature insults, personal attacks, abuse, slanders and lies--something which did not exist. I followed the debates closely, and specifically in the principal speeches there were no personal attacks, insults, slanders or lies. What happened was the expression of different viewpoints and political opinions, and the prime minister is apparently not accustomed to this and reacted in an upset manner.

Moreover, I believe that the prime minister abandoned her stance of balance and impartiality, and decided to attack directly the parties which criticized her, arousing massive support in applause from the leftwing majority.

In my opinion, this was beneficial, because it made clearer and brought to the surface something which was concealed--that is, the actual support of the Socialist Party (PS) and the Communist Party for the prime minister, her government and her program.

O PAIS: However, do you not believe that at the time of the talks with the parties on the preparation of the government program, it created a bad impression when the PSD and the CDS refused to talk with Maria de Lourdes Pintasilgo, thus providing her with a weapon which was immediately used to prove that there was no animosity against the existing political forces on the part of the government?

Freitas do Amaral: I acknowledge that not everybody has understood and some people have criticized this stance. Nevertheless, I still, believe that it was correct.

In the first place, for the following reason: The prime minister violated a fundamental rule of democratic public conduct in revealing to the public through the news media that she had been invited and had accepted to become prime minister, when it is a fact that the president of the republic had not yet officially informed the parties of that choice. This means that we political parties represented in the assembly of the republic learned of the choice of prime minister from the newspapers. It was the first time that this had happened, and it is objectively an incorrect stance and a stance scarcely in keeping with public conduct.

Moreover, I must explain that, despite this obvious gaffe, the prime minister offered no explanation or apology to the parties which she thus affronted.

When, a few days later, the prime minister decided to ask the parties to go to her office so that she could inform them personally of the composition of the government which she was going to form, our reaction was to say: "Well, if we learned of the prime minister's name from the newspapers, why can we not also learn the ministers' names from the newspapers?"

But there is a more basic reason: This is that the choice of Miss Pintasilgo objectively represents an act of hostility against the parties of the Democratic Alliance. Because this is the first time that the president of the republic has ventured to choose a prime minister whose name had been categorically vetoed by two of the four principal Portuguese parties--and, as it happens, by two of the three parties which supported his candidacy. The choice of a personality whom the PSD and the CDS did not accept and with respect to whom they had already said that she did not give them sufficient guarantees of disinterestedness and impartiality is in fact an act of hostility against those parties.

Now if we in any way agreed to take part in a concealed process of talks concerning the government's composition or, at least, the drafting of its program, we would to some extent be abandoning our assertion that the prime minister was not disinterested or impartial, because we would be agreeing to negotiate the program's composition with her. We are increasingly convinced--and then after the debate in the assembly we have no doubt at all--that this government is not neutral but a government which wants to interfere improperly in the election process, which wants to distort the outcome

of the election and which wants to be involved in the election process--which cannot and must not happen--and that to take part in any way in the government's activity is to some extent to exonerate it. And that was what we did not want to do.

Engaging in dialog with the government openly and publicly in the assembly is, of course, a different matter, but doing so in the secrecy of offices, so that the government can falsely claim afterward that we agree with this or that in return for its granting us something else--that we cannot and will not do.

"Pintasilgo Does Not Level Single Criticism Against Communist Party..."

O PAIS: However, if the PSD and the CDS had taken part in drafting the program--especially since Maria de Lourdes Pintasilgo stated at the conclusion of the debates that she would take into account many of the suggestions made at the Sao Bento palace--could not much of the document's contents have been changed?

Freitas do Amaral: I am convinced that it could not. I am convinced that all the suggestions which we made would be considered unacceptable by the prime minister, because she is a leftwinger who regards our parties as political groups whose ideas do not coincide at all with her own, who certainly largely accepts the suggestions and advice given to her during the debate both by the PS and by the communist party, but who could never accept advice or suggestions from our quarter. That would be utterly contrary to her outlook and is perfectly obvious from the program: nobody who drafts a program like that could by definition accept suggestions from the PSD and the CDS--only suggestions from the Portuguese Communist Party [PCP] and the PS.

Moreover, I would like to emphasize in this connection a fact which seems to me very curious, which is that the prime minister has leveled many criticisms against the PSD and the CDS but has never acted in that way toward the PS, and in particular never levels a single criticism against the communist party. This is particularly to be emphasized at this moment, because it is very significant.

O PAIS: But when you say--as, moreover, many people assert--that Maria de Lourdes Pintasilgo is a leftwinger, do you not believe that this is a rather inconsistent label, especially since, as everybody knows, the present prime minister belonged to the corporative chamber under the former regime? Is there not a certain inconsistency in this?

Freitas do Amaral: There are people who have their ideas and go up to a certain limit at a certain time in their lives and who then, especially when new political developments, such as a revolution, occur, change a great deal and alter the limits of their activity considerably. To go no further, I would like to remind you that Professor Pereira da Moura was a member of the corporative chamber and, shortly after the revolution, emerged as spokesman for the Portuguese Democratic Movement [MDP]....

O PAIS: And before that he was a prominent leader of the Portuguese youth....

Freitas do Amaral: So it does not seem to me strange that there has also been an evolution in the case of Maria de Lourdes Pintasilgo, although I am convinced that she is not a close supporter of the MPD, but, at any rate, the fact is that having belonged to the corporative chamber has not prevented her from performing the evolution which she has performed and having today the ideas which she has.

Saber Rattling

O PAIS: Returning now to the latest debate in the assembly of the republic, I would like to ask you what you meant in your speech by the sentence: "There has been a great deal of saber rattling." And with respect to the allusion to "some ayatollah who returns from France to inflame feelings in his country," can it be concluded that you regard the ambassadress as a Portuguese counterpart of Iran's Khomeyni?

With respect to the first question, I believe that there has recently been a recrudescence of military political statements, that there has been a recrudescence of public statements by military personnel which do not respect orthodox democratic rules concerning the armed forces and that there has been a recrudescence of political interventions by the Council of the Revolution and its members, and all this means, in my opinion, that a situation--a state of affairs--is again beginning to emerge which is not that most in keeping with the desired and promised progress of the return to the barracks and the subordination of the military institutions to civil power.

This would be a further reason for the prime minister to take the greatest care in the statements which she makes, in the criticisms which she levels against the parties and in the criticisms which she levels and has leveled against parliament. It is very dangerous to give the country the impression that the government will now govern easily, because it does not have the parties monitoring it and because it does not have parliament functioning. That was the ideology and message of the former regime; a democratic government must not help foster through its practice or its statements the idea on the part of the public that you govern better without parliament and without the parties. The fact is that you can govern more efficiently, but at the cost of the deprivation of freedoms and the rejection, pure and simple, of democracy. Merit lies, as I said in my speech, in knowing how to govern efficiently in cooperation with parliament.

With respect to the expression which I used with the example of the "ayatollah," this is merely an indirect allusion in the sense that the program is so senseless, disproportionate and inappropriate, and is so presumptuous and arrogant, seeking to work miracles and to meddle and interfere in everything, razing Portugal's institutions to the ground, that in fact you are



left pondering intentions on such an absurd scale. And you wonder how it is possible for such a thing to happen in Portugal in 1979, when we see that in all democratic countries, when there are elections, either the governments are replaced by caretaker governments or they themselves limit themselves and confine themselves within their own limits. We have just witnessed how the Callaghan government in Britain behaved as soon as it was defeated in parliament and during the 4 or 5 weeks between the dissolution of parliament and the election, when a number of outstanding problems of excessive importance were left by Mr Callaghan himself to his successor. That is what is normal, logical, sensible and in keeping with democratic rules. Only in Portugal and under Miss Pintasilgo does this abnormal situation arise at a time when an election is being prepared, when it is wholly up to the parties to confront each other democratically before the electorate, when the people are given an active say through the ballot box, when the major options will be changed or reaffirmed by the electorate, and it seems that what any government must do is to become more modest and more restricted in its activity and allow the basic issues to be clarified by the electorate. But this is precisely what Miss Pintasilgo refuses and has refused to do. On the contrary, she wants to use these 100 days to do a host of things which can and should only be done by a constitutional government, which hers is not.

Government Lasting 200 Days or More...

O PAIS: But will it only be a government lasting 100 days?

Freitas do Amaral: Well what was promised was a government lasting 100 days, but what is already clear is that it will last 150 or 200 days, if not more. I believe that the government is doing its utmost, in agreement with the president of the republic, to insure that the election is held as late as possible. This is yet another promise which remains to be kept and yet another instance of the fact that in this country and at this time, a pledge is deemed of little worth by those in power.

Indeed, with all this new machinery--which did not figure in the government program but was skillfully added during the debate--of applications for assent to legislate and even of bills submitted to the assembly which will have to be debated before the dissolution--and moreover, in the case of the authorizations to legislate, these will have to be used by the government before the dissolution--all this serves above all to delay the election considerably.

An election in October would make some sense. It would be 1 year from the following election. An election in December or January has a different, and even profoundly negative, significance. In the first place, holding the election during the winter--as Dr Sa Carneiro rightly said in the assembly--is a grave mistake, because large parts of the country will be experiencing extremely severe weather at that time, with impassable roads--as, for instance, in the Braga region--and this will cause abstentions;

second, because delaying the election also has the drawback, or another negative effect, of seeking to give the government which emerges from the election far less time for action, specifically because it can only begin to function--as far as can be foreseen at present--in January or February. Bearing in mind that the election campaign for the September election will begin in July, this means in fact seeking to confine that government's prospects for action to the minimum.

It is clear that there is one government strategy when you have 4 years ahead of you, there is another when you have 1 year and there is yet another when you have only a few months. And if we win--as we hope--we will employ the appropriate strategy.

At any rate, the fact is that the Democratic Alliance frightens many people and that, in addition to the PS and the PCP, which were its sole opponents at the outset, it also greatly frightens the Council of the Revolution, the president of the republic and now this government, which have decided voluntarily to adopt the stance of opponents. For our part, we have no hesitation in fighting them and are convinced that we will win.

O PAIS: Now that we have mentioned the next government, I will refer to Mario Soares' speech at the Sao Bento plenary session. He asserted that "those who win the election should govern." Analyzing the intention behind this statement, it might be inferred that if the socialists once more head the poll--as happened in the most recent elections--they are preparing to return to power, and that this will also happen if the Democratic Alliance wins. But if in either event there is no "stable majority" to dominate the assembly, how do you view Portugal's political future, since in that event there will be another period of government instability, such as has affected national life under the constitutional governments?

Freitas do Amaral: That danger does indeed exist, although I am convinced that the Democratic Alliance has a good chance of winning with an absolute majority, but it is obvious that when the various possible hypotheses are put forward, that of our not securing an absolute majority should not be ruled out. If that happens, we will be in the same situation as all countries without stable and coherent parliamentary majorities--in a situation of lapsing into minority governments, or presidential governments or, finally, into mixed and hybrid formulas which resolve nothing and make very little contribution to resolving the nation's problems.

For our part, I must say that the CDS believes that the Democratic Alliance should only govern if it secures an absolute majority. I take a view different from the invitation implicit in Dr Mario Soares' words; I believe that the Democratic Alliance should not agree to form a minority government. And this is for one reason: While the PS at the time of the first constitutional government was in a minority but could freely choose which partner it would adopt for each law and each vote in parliament, the PS could in fact choose the communist party to vote for one law, the PSD to vote for another

and the CDS to vote for yet another, and thus could arrange matters to suit itself, not being bound hand and foot with respect to parliament. If the Democratic Alliance is in a minority, it will never be able to vote in parliament except with the PS, since, by definition, it will not vote for laws with the PCP and since--so it is to be hoped--there will be no party to its right, and if there is, it certainly will not be a party with which it can reach agreements. Thus under these circumstances a Democratic Alliance government would inevitably be in the PS' hands. This would be an unacceptable situation and would mean in practice that the government could not secure in parliament the laws which it needed to govern and, even worse, the government might be governing in one way and parliament legislating in another, because, moreover, the PS would not refrain from approving laws with the PCP, as it has done in the present assembly of the republic, bringing the leftwing majority into operation and systematically boycotting the government's activity.

So I believe that what we should tell the Portuguese people during the election campaign is that either they give us an absolute majority in order to govern or they do not give it us....

And if they do not give it us, we will have no chance of implementing our ideas and our program.

Compulsory Voting Is Essential...

O PAIS: But in view of the little time which the next government will have in which to act, will it not be almost worse to secure an absolute majority and have to govern during such a brief interregnum?

Freitas do Amaral: I do not believe so. I believe that if we have an absolute majority, then we will be able to govern, and there is much that can be done in 6 months.

I would clearly be irresponsible if I said that Portuguese society's principal basic problems could be resolved in 6 months or 1 year. They cannot. But there are important steps which can be taken and a course can be set to make the country realize that something has changed, and there are important decisions which can be made on many issues which are awaiting the courage to make a rapid decision, and these will certainly be made. Moreover, at the parliamentary level there are a number of laws which can be debated and approved in under 6 months, and if we succeed in doing so it will have been worthwhile being in power for 6 months for that alone. I will cite only one instance which seems to me very important--the electoral law. This law is utterly unacceptable and even inconceivable in certain instances, and must be amended in various respects, including compulsory voting, and this amendment could be effected in 1 day. I believe that this is one of the first bills--if not the first--which the Democratic Alliance will draft if it wins the election.

O PAIS: But that brings us to that problem of the hypothesis of the Democratic Alliance winning the election with an absolute majority. Returning again to the latest parliamentary debate, you stated that Melo Antunes has been "the illegitimate and concealed chief" of Portuguese diplomacy for several months. Why for only several months? Has the nation's foreign policy not always been conducted by General Eanes with principles and a consistency which were already being asserted at the time of the PS-CDS government?

Freitas do Amaral: That is not true. It was Minister Sa Machado who conducted foreign policy while the CDS was in the government. And at that time absolute priority for Portugal's European vocation and for Portugal's integration into the common market was clearly asserted for the first time, just as relations between Portugal and the new Portuguese-speaking African states were also for the first time quite rightly placed by Minister Sa Machado on the level of relations between states and not on the level of ideological affinities, which is--as is usually said--on the level of a Marxist affinity.

On the other hand, Lieutenant Colonel Melo Antunes' view is that relations between Portugal and the new Portuguese-speaking states should be the expression of a Marxist leftwing affinity between those in power in Portugal and those in power in those countries. I believe that this view is gravely mistaken and can only harm Portugal's interests.

The extremely positive results achieved during Minister Sa Machado's term of office were demonstrated at the level of Portugal's relations with Guinea, Cape Verde, Sao Tome and, in particular, at the level of relations with Angola.

As soon as governments of presidential inspiration started to be formed, General Ramalho strongly intensified his intervention in the area of foreign relations--in my opinion, in violation of the constitution, because the latter does not give the president of the republic an independent role in that field, and General Eanes has adopted stances in the field of foreign affairs without consulting parliament and without consulting the government itself, and this is clearly improper. Moreover, it is in fact Lieutenant Colonel Melo Antunes who actually directs foreign policy, formulates the philosophy behind that policy, appears as its theorist, appears to explain and justify foreign policy options and even appears to embody it directly and personally in the most sensitive areas through visits to the countries where problems with us arise, so that the real Portuguese foreign minister has recently been Lieutenant Colonel Melo Antunes, and the person holding the portfolio in the Necessidades Palace is only a kind of under secretary.

This situation is improper, and if the president of the republic believes that Lieutenant Colonel Melo Antunes is the person who best serves his ideas, best formulates his options and best implements his instructions in foreign policy, then he was strictly obliged to appoint that council of the

revolution member as minister of the portfolio, facing up to all the consequences which that would entail at the political level, but at least pursuing a policy of truthfulness. We are currently pursuing a policy of madness, and somebody must denounce it. We are determined to denounce it and combat it with all the democratic means at our disposal.

#### Only Way for CDS to Grow in Relation to PSD

O PAIS: Returning to the topic of the Democratic Alliance--and not referring to the now surmounted issue of separate and joint lists, on which the CDS stance is already known, having been defeated but not creating a conflict within the grouping as a result--do you not believe that if, on the one hand, joint lists might have more easily mobilized the will to vote, the CDS would have run the risk, on the other hand, of finding its future position in parliament relegated to second place in comparison with the PSD?

Freitas do Amaral: As you say, the problem of joint or separate lists has in fact now been surmounted. Our viewpoint is known: We were in favor of joint lists, but the difference in viewpoints did not and will not lead to the Democratic Alliance's extinction.

However, from the viewpoint of the CDS' interests, I must say that separate lists are preferable. We based our support for joint lists on the interests of the alliance as a whole, but separate lists are preferable for the CDS in isolation, because--you will observe--if we entered into joint lists, the ratio at which each of the two parties entered those lists would have to be based on the previous election results, which are the only results known, and thus would have to be based on the relative positions of the PSD and the CDS in 1976; that is, we would have to enter the lists at the ratio which we achieved in 1976, when the PSD secured 24 percent and the CDS 16 percent--that is, a 2 to 3 ratio.

None of this applies with separate lists, and we will be able to grow. Competing on separate lists is even the only way in which the CDS can grow in relation to the PSD.

O PAIS: It is strange that this viewpoint has never been expressed previously....

Freitas do Amaral: It is something new which I am very pleased to make known through O PAIS....

O PAIS: At all events, it is to be foreseen that the PSD will secure a better position than the CDS. That being the case, it seems natural that if the Democratic Alliance forms the government, it will be Dr Sa Carneiro who will be chosen as prime minister. Under these circumstances, what post would be reserved for you yourself?



Freitas do Amaral: With respect to the problem of the prime minister, I would like to say that this is an issue which can only be resolved after the election, taking into account the actual results achieved by the Democratic Alliance as a whole and by the parties comprising it. Nevertheless, it seems logical to say that in principal and except for any exceptional circumstances which make a different solution advisable at that time, the leader of the party polling most votes within the Democratic Alliance will become prime minister. With respect to the other--the leader of the second-ranking party--well, of course, this is a minor issue which will be resolved at that time and which will certainly pose no kind of problem. I must say that, as far as I am concerned, no problem will arise and that I have no objections to raise nor will I raise any.

O PAIS: But do you feel more inclined to become foreign minister or minister of the interior?

Freitas do Amaral: That is a matter which has not been considered at all and which will thus be left until after the democratic coalition wins the election and decides to form a government....

O PAIS: What can you disclose with respect to certain soundings, already conducted by the Democratic Alliance, with respect to certain figures, especially PS dissidents--Medeiros Ferreira, Antonio Barreto, Vitor Gunha Rego and others--with a view to their running in the coming election?

Freitas do Amaral: The view taken within the alliance is that any of the parties comprising it will be able to invite independents to join the lists of deputies but that that problem will be each party's responsibility.

In the specific instance of the personalities whom you mentioned, the contacts have been made by the PSD, and so only the Social Democrats will be able to explain how the negotiations stand. For our part, we not only have no objection but would greatly approve of people like Dr Antonio Barreto and his political friends joining the Democratic Alliance's lists.

O PAIS: But you know that these figures have been sounded out?

Freitas do Amaral: Yes, but I assume that no final reply has yet been made. At least, the PSD took stock of the situation with respect to the talks with the so-called reformists at the latest meeting of the Democratic Alliance's coordinating council, and no final mutual decision has yet been made.

O PAIS: Do you believe that the formation of the new party--the Union of the Left for Socialist Democracy [UEDS]--might harm the PS and the PCP? And if the Independent Social Democratic Association [ASDI] forms a party, will this create splits within the electorate which would vote for the PS or the PSD?

Freitas do Amaral: I am convinced that these two new parties will achieve very insignificant results if they run in the election. Nevertheless, with respect to the UEDS, I believe that it has an important role to play in being able to restrain many of the Malcontents who had left the PS for the left, thus preventing them from throwing themselves into the communist party's arms. The UEDS might have an important role to play in restraining the switching of votes which without it would be automatically made from the PS to the PCP. In other words, I believe that the role which the UEDS might play with the greatest benefit for democracy in Portugal is to prevent the enlargement of the communist party.

With respect to ASDI, it is natural that, because of its position on the chessboard, it may take some votes from the PS and the PSD, but the most logical outcome is that it should take most votes from the PS. There are many people who are moderate, who are center-right or center-left and who voted again for the PS in the latest election, in view of the important role which the socialists played in the struggle against the PCP in 1975. That electorate will not vote for the PS again, first because the circumstances are no longer the same and second because the PS has disappointed that entire electorate, and thus a large number of voters who will cease voting for the PS this time will either abstain or vote for other parties. Some of them will vote for ASDI, but I am convinced that the majority will vote for the Democratic Alliance.

As far as we are concerned, I must say--however strange this may seem to some people--that we have recently enrolled as members many people who once voted for the PS but who, disappointed with that party, are now coming and giving us their support.

#### "President of Republic's Dislike of Parties"

O PAIS: Since General Eanes is not explaining--or has not yet explained--the reasons which led him to take a number of initiatives which many parties do not understand and of which the PS itself partly disapproves (for instance, the dissolution of the assembly), and since, at the level of public opinion, there is undeniably dissatisfaction with the president who was elected by a majority of the Portuguese people, how do you interpret the pursuit of this policy? Is Ramalho Eanes speculating--as is claimed--on the parties' also damaged image and merely seeking, in his concern with the campaign for his reelection, to capture votes directly from the people? But in that event, what is the explanation for the choice of Maria de Lourdes Pintasilgo to head a government which ought to be purely a caretaker government?

Freitas do Amaral: I believe that the two options are not incompatible. There is no doubt that the president of the republic has been increasingly displaying his dislike of the political parties, and this might be the first step toward a less democratic and more authoritarian stance. And if he wants to run as a candidate, he will therefore naturally tend to do so in a direct relationship with the electorate, without acting through the political parties,

and this is a bad sign of his conception of democracy. Second, I also believe that the president of the republic wanted to achieve at least two purposes with the appointment of Maria de Lourdes Pintasilgo and of a government which ought to be a caretaker government but is not and will not be so--to antagonize the Democratic Alliance and clearly demonstrate that he is opposed to it, and to personally encourage and promote the formation of a new party. I believe that the inclusion of the PSD dissidents in the Pintasilgo government--which I imagine was due to the president of the republic's direct influence and not to a personal decision by Miss Pintasilgo--is significant. It is a highly significant decision, and its significance is precisely that it represents an attempt to encourage through the government the formation of a new Eanist party which might help reelect the president of the republic.

#### "President of Republic's Lack of Political Tact and Judgment"

I am convinced that none of this will succeed, because the lack of political tact which the president has recently displayed is so great that his mistakes are mounting up one after another and none of this will succeed. The discrediting of the president in the eyes of the country and in the eyes of his electorate in particular is enormous and, in my opinion, irretrievable. Moreover, the Eanist party--even if it is formed and runs in the election--will have an insignificant poll--as I have already said--because it will have no structure, no organization and no support, and its leaders will have no kind of political charisma.

O PAIS: How do you interpret the president of the republic's concern to submit to the fifth government's appraisal the decree laws which, drafted by the Mota Pinto government, were merely awaiting promulgation by Belem Palace?

Freitas do Amaral: This means, on the one hand, confirmation of the president of the republic's leftward shift, which has been obvious for the last few months. On the other hand, it also means that the president has no judgment. A president who in under 1 year appoints three prime ministers as politically diverse as Mr Nobre da Costa, Professor Mota Pinto and Miss Maria de Lourdes Pintasilgo is a president with no judgment. What is more, a president who on 25 April solemnly proclaimed his support for Professor Mota Pinto's conduct and who in July calls into question of substantial part of that same government's conduct, retracts what he said and backtracks, allowing essential legislation of the Mota Pinto government to be destroyed at the outset by the Maria de Lourdes Pintasilgo government, is indeed a president who has no judgment and no clearly defined line and who changes with the winds, and this further intensifies his discredit and further explains why the country has no confidence in him and is losing all the confidence which it may have had. Because people like to be governed by somebody who knows what he wants and who follows a coherent, permanent and constant line and not by a person who governs erratically.

O PAIS: What is your interpretation of the president of the republic's conduct in the instance of the doctors' strike, which is currently taking place?

Freitas do Amaral: Well, I believe that the doctors, like any other social group, are entitled to struggle for their legitimate interests. I believe that a democratic government should negotiate with the social forces and thus should also negotiate with the doctors' association, and provided that the doctors do not jeopardize the provision of essential services in emergency cases--as has been the case so far--there is no reason to deny their right to struggle to uphold their viewpoints.

O PAIS: But has this affair represented a defeat for the president of the republic?

Freitas do Amaral: Undoubtedly. It is certainly a defeat for the president, who is demonstrating his rigidity and lack of flexibility and aptitude for dialog, and, moreover, he is demonstrating lack of political tact, since the president has seen fit to adopt a direct stance in the conflict--something which he never ought to have done, because it is never the head of state who directly adopts the stance of a party in a conflict with the social forces. There are ministers for that purpose. He clearly exceeded his duty and made one more political mistake, to be added to the previous mistakes.

O PAIS: Nevertheless, did not General Eanes indicate a certain spirit of compromise toward stances which he previously did not accept in stating in Regua last Sunday that he regards the referendum as "perfectly acceptable, provided that it is an instrument for the survival of the system"?

Freitas do Amaral: You know, President Eanes has been characterized--as I have already said--by an erratic policy and by alternately hitting and missing. It is not a month since General Ramalho Eanes said that the referendum was unacceptable and that it might provoke grave disturbances in the country and a deep split in Portuguese society. In under a month the president is contradicting himself and is now saying that the referendum is perfectly acceptable and lawful and might even be necessary. This demonstrates yet again that the president has no judgment and that he says things in accordance with expediency and the circumstances, without a consistent line in his thought and without a clearly defined strategy.

This might even be an attempt to recover a non-leftwing electorate. However, in my opinion, the president of the republic's choice of a government of hostility toward the Democratic Alliance, a government which is neither disinterested nor impartial in terms of elections, a government which will not be a caretaker government, contrary to what they say, and which is thus the cover for the leftwing majority's basic aims, has finally destroyed the prospects of a recovery of the president of the republic's image among his electorate.

I believe that the situation is irreversible, and, in my opinion, any rightward shifts which the president may now make, with vague allusions to the referendum or with the reshuffles of his civilian household, or whatever, no longer alter the irretrievable situation in which, in my opinion, he has placed himself.

## Race to Belem Palace and Democratic Alliance's Joint Candidate

O PAIS: But can you discern anybody within the present range of possible candidates for Belem Palace who might not only outshine but defeat General Ramalho Eanes, if he makes the mistake of running again. But I believe that it is not yet right time for beginning to hold a kind of public auction of names of candidates for the presidency of the republic, and so, if you do not mind, I would prefer not to enter into the compilation of lists of potential presidents.

But the country would be faring badly if there were no candidates for the presidency of the republic....

O PAIS: You mean that no vacuum will be created in this field.

Freitas do Amaral: No. Quite the reverse. I believe that the danger which we are running is that there will be a superabundance of candidates. At all events, the Democratic Alliance's agreement contains a clause which states that the alliance will put forward a joint candidate.

O PAIS: As the final question in this already lengthy interview, I would like to know how you view Portugal's political future--with optimism or with concern?

Freitas do Amaral: Basically, I believe that we are entering into a difficult period, but one which will be decisive for our country's future. This period begins with the coming interim elections and will conclude with the presidential elections in December 1980.

We have a number of extremely important elections during this period--an interim election--if it takes place--local elections, regional elections in the Azores and Madeira, legislative elections in September 1980 and presidential elections in December 1980. The Portuguese people will have the opportunity within the space of about 1 year to express amply, freely and in depth their will with respect to Portugal's future. If the European, democratic and modern option which the Democratic Alliance constitutes earns the Portuguese people's majority support and votes, whether in the legislative, local and regional elections or in the presidential election, in which the alliance will put forward a joint candidate--if in fact it earns the population's majority support--the conditions will have been created for Portugal's finally becoming what the majority of the people desire at heart--that is, a European, western, democratic, economically prosperous and socially just country. If, on the contrary, the Democratic Alliance and its parliamentary and presidential candidates fail to secure a clear-cut absolute majority from the Portuguese people, then I believe that we should view the immediate future with pessimism, because that means that we will continue to witness the constant deterioration of political life and of the economic and social situation in the country, with an increasing tendency for us to move away from Europe, democracy and economic prosperity and social justice and



to become embroiled--contrary to the country's interests and to the western world's interests--in experiences like those in Latin America of military dictatorship, authoritarian presidentialism and the socialism of poverty. I view all this as extremely negative for the Portuguese people and in particular for the most disadvantaged, who are always those who suffer most in these situations, despite the fact that they are those who are demagogically most flattered by that kind of regime.

So everything depends on the great decisions which the Portuguese people make over the coming year in the various opportunities which they will be given to vote, and since I am convinced that the Democratic Alliance has good prospects for winning, I believe that we will be able to view the future with some optimism.

O PAIS: You mean, in short, that, in your opinion, either the people vote for the Democratic Alliance or there will be chaos....

Freitas do Amaral: I am absolutely convinced of that.

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## BRIEFS

NUCLEAR FACILITY SITING EFFORTS--Two 1,000 megawatt nuclear power plants will reportedly be built on the Black Sea coast. A member of the Prime Ministry's Atomic Energy Commission Nuclear Security Committee Docent Dr Tolga Yarman has stated that "siting efforts for the nuclear power plants have begun." He added: "Structural work on the 600 megawatt nuclear power plant that is to be built in Akkuyu will begin in 1980. This 600 megawatt facility will be tied into our national network in 1986. At the present time, scientific studies are being conducted at the field station set up in Akkuyu. These studies will be completed by 1980 and structural work will begin on the plant at that time. The cost of construction will be 1 million dollars." Siting efforts have also gotten underway for Turkey's anticipated second and third nuclear power plants. The Nuclear Energy Division of the Turkish Electrical Power Enterprise is continuing its siting efforts in the Black Sea area where the new power plants are expected to be located. These new power plants will generate 1,000 megawatts each. [Text] [Istanbul MILLIYET in Turkish 7 Sep 79 p 8]

COPPER DEPOSITS--Rich copper deposits have been discovered in Kutahya's Muratdaci district. Studies conducted by a miner in this area have revealed that there is high tenor copper ore in these deposits. Exact figures are not available at this time. [Excerpts] [Istanbul AKSAM in Turkish 7 Sep 79 p 5]

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